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Editorial AS WE SEE IT

There is and there has been for a good while past a great deal of discussion about desirable "goals" for us and often for other so-called free nations. It is quite common to hear it said that the free world suffers in competition with the communist world for the reason that the Kremlin and the other leaders of the followers of Marx have very specific goals or ends that they seek and see to it that their energies are all directed to these ends.

The peoples and the nations defending themselves against these goals of the communists are often described as drifting and squandering their energies without clear and constant goals in mind. This is, in fact, one of the most commonly suggested ways in which we are urged to copy the communists. In a recent issue, the New York *Times* published the replies of a number of leading lights to a question asking what the world most needs, which is hardly unrelated in substance to the all but universal demand for goals toward which the free world should be devoting its energies.

The Real Problem

Applied to the field of economics, this seems to us to be a rather futile procedure which often confuses ends with means or ignores one or the other altogether. To be sure, the great rank and file of a free country toiling to get their daily bread may not be able to say precisely what the goals of the people of a country as a whole are. They know only what their goal is—if indeed they have really thought much about it at all. But long ago economists and philosophers — not the least of them being Adam Smith — have studied what the net result of all the work and toil of a nation, each individual proceeding in his own way, will and can do for the people as a whole.

The real problem is how to reach obvious ends in the most effective manner. No one would deny or doubt that what is desired by all is the greatest abundance of the good things of life well (Continued on page 16)

Today's Growth Stock Syndrome Is Tomorrow's Disappointment

By William B. Eagleson, Jr.,* *Senior Investment Officer, Girard Trust Corn Exchange Bank, Philadelphia, Pa.*

The path to stocks offering growth in value is strewn with easily forgotten truths and overlooked dangers. Mr. Eagleson knows where the problems lie and charts a route which avoids already recognized growth stocks. His goal comprises companies still unrecognized as tomorrow's growth stocks. In admitting this is not easy to do, the investment officer recommends seeking out issues of value though out of market favor at the moment. This, he concludes, offers a trust officer a more stimulating opportunity for his talents than that of merely following the crowd.

I intend to discuss just one of the many problems which an investment officer now faces in "looking at investments"—"The Growth Stock Syndrome of the 1960's." The delightful symptoms of this malady is the increasing number of clients as the stock market continues to rise and, I am afraid, even in many of us—the professional investors — from time to time. I say delightful because the victim of this disease has needed only modest talent in the selection of individual stocks in order to enjoy truly remarkable investment performance over the past several years. Is this in fact a road without an end as the stock market seems to be telling us? This is the question I would like to discuss.

W. B. Eagleson, Jr.

I have in my library two books which to my mind contain all the wisdom on the subject of investing in common stocks. The first of these books is quite a small one, scarcely more than an hour's reading. It is called "Common Stocks as Long Term Investments" by Edgar Lawrence Smith and it was revolutionary in its ideas when published in 1924. Mr. Smith, a man of inquiring mind, had set out to prove to himself the generally accepted belief of the day that although common stocks might prove more satisfactory holdings during the infrequent periods when the dollar was declining in value, bonds could be relied upon to show better results during "normal" periods of stable or rising value of money. He made exhaustive studies of the price performance and income return of randomly selected stocks and bonds covering a period from 1866 to 1922. These years included two wars, two financial panics, years of stable prosperity and a post-war inflation. To his surprise Smith found that the facts did not support his original premise and, in fact, led him to quite a contrary point of view. He noted that it was the practice of well managed corporations to pay out in dividends only a portion of net income, and to reinvest the balance back in the business where it would be productive of larger earnings and hence larger dividends in future years. Smith's conclusions or, as he called them, Laws, were these:

"(1) Over a period of years the principal value of a well diversified holding of the common stocks of representative corporations in essential industries tends to increase in accordance with the operation of compound interest.

"(2) Such stock holdings may be relied upon over a term of years to pay an average income return on such increasing values of something more than the average current rate on commercial paper."

Long-Term Investment Merits of Stocks

This book was published at a time when few conservatives, or investment portfolios held anything but bonds and it formed the basis for an entirely new approach to investment management. In particular, his contention that stock values would tend to rise exponentially over the long term contributed to the enthusiasm for stocks which developed during the 1920s.

Smith was laughed at after the stock market crash of 1929 and some (Continued on page 28)

PICTURES IN THIS ISSUE—Candid photos taken at the Toronto Bond Traders Association 29th Annual Dinner appear in today's Pictorial Section.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

WILLIAM L. DEWART

John Muir & Co., New York City, N. Y.
Members: New York Stock Exchange; Associate Members: American Stock Exchange

Brazilian Traction Light and Power Company, Ltd.

Brazilian Traction Light and Power is a holding company incorporated in Canada and is listed on American, Toronto, Montreal, Vancouver, London, Liverpool, Birmingham, Belfast and Brussels stock exchanges. Through subsidiaries, electric light and power, gas, traction and telephone service is furnished in Rio De Janeiro, Sao Paulo and Santos and outlying regions having a population of more than 25,000,000. Company furnishes 55% of total power requirements of Brazil and 80% of Brazil's telephone service.

William L. Dewart

The territory embraced is important for it is the coffee growing district and the commercial and banking centers of Brazil.

At the end of 1959, electric customers totaled 1,671,069; telephone customers totaled 735,000 and gas 378,000.

The subsidiaries operate practically without competition and under exclusive concessions. Employees number 43,800.

Funded debt is $138,754,042 and minority interest $14,259,724. $6 convertible cumulative preference stock: 3,934 shares ($1.00 par) non-redeemable convertible into ordinary stock at 8 ordinary shares for 1.2 preferred.

Ordinary Stock: 17,294,671 shares (no par), while capital expenditures in 1959 totaled $66.2 million, up from $35 million in 1958.

Recent successful financing in Brazil has allowed resumption of suspended construction projects, and the company has access to a World Bank equipment loan of $11,600,000 which has been approved but withheld pending local financing.

Book value of ordinary stock is about $28 per share. 1959 earnings 68 cents per share, after deduction of 50 cents per share amortization of facilities, a bookkeeping deduction.

A 25 cent cash dividend was paid Feb. 15, 1961.

Political difficulties are numerous but are expected to be ironed out and the company and the nation of Brazil should benefit from the newly installed conservative policies of President Quadros and also from the Kennedy Administration.

Price ordinary stock is about $4, or less than four times true earnings per share.

DOUGLAS CAMPBELL

Manager, Research Dept., Ladenburg, Thalmann & Co., New York City
Members New York Stock Exchange

Fluor Corporation

In this age of science, which finds the stock market capitalizing earnings of many companies at fantastic ratios it is rather refreshing to find the shares of a company closely allied with the most sophisticated areas of science selling at only ten times indicated profits for the current year.

Douglas Campbell

Fluor Corp., an engineering and construction company, with a long record of success in a number of fields including design and construction of oil refineries, chemical and petrochemical plants is such an issue in my opinion. Considering the cyclical nature of this type of business, Fluor Corp. has had an exceptionally good record over the past 15 years or so. With the exception of fiscal 1959, in which year the company had a deficit of $1.12 a share, all the postwar years have been profitable with earnings ranging as high as $3.63 a share for fiscal 1952. In 1959 the deficit was largely accounted for by non-recurring write-offs, amounting to $1,350,000, consisting of unusual expenses in connection with the development of a new process, costs incurred in the design and engineering of an oil refinery in the Providence area, which was deferred indefinitely, and liquidation costs resulting from the disposal of Fluor's metal manufacturing facilities in Kansas. Although loss operations for Fluor continued in the initial six months of the fiscal year ended Oct. 31, 1960, final half operations saw the company strongly in the black. For the full year ended Oct. 31, 1960 Fluor earned 99 cents a share on its common stock with 96 cents a share having been earned in the final quarter alone.

J. W. Walker, President of Fluor Corp., recently estimated that profits, for the current fiscal year to end Oct. 31, 1961, will at least be equal to the 1958 fiscal year's profits when the company earned $2.41 a share on its common stock. Orders presently on the books of the company are in excess of $100 million and the present fiscal year holds every promise of fulfilling the management's estimates of sales and profits. Thus, the stock currently selling at around $24, is capitalizing the current year's indicated profits at a reasonable ratio, even taking into account the speculative nature of the business. The company has a comfortable cash position and book value, when last reported of about $20 a share. So much for the current statistics on Fluor Corp.

In addition to the strong underlying statistical position there are yet other facets to Fluor which place it in an extremely attractive area in my opinion. One of the more exciting areas for long-term investment will be water desalting or recovery of potable water from brine. Only recently President Kennedy outlined some of the world problems at a press conference in which he discussed the world water situation, including conservation, greater utilization of existing water facilities and the area of converting saline water to potable water. This has been a field of scientific development for several years, with a number of companies actively participating, among which Fluor Corp. occupies a prominent position.

In the field of water purification Fluor is one of the early pioneers, having conducted a thorough investigation of saline water conversion — beginning in 1957. In that year the Office of Saline Water of the U. S. Government awarded Fluor a contract to select a heat source and evaporator combination that would desalinize sea-water at the lowest possible cost. After considerable research, Fluor concluded that the best combination for large plants was a heavy-water moderated and cooled natural uranium steam generator, coupled with a multistage flash evaporator. Fluor Corp. favored the multistage flash system because it operates with greater thermodynamic efficiency other than distillation processes. The process also lends itself to design of very large plants.

In 1958 the OSW and the State of California awarded Fluor a joint contract to develop engineering designs and costs for a multistage flash plant rated 1 million and 50 million gallons a day. The two plants were designed to take steam from both a conventional boiler and a nuclear steam generator. In October of 1959, the U. S. Government authorized the company to follow up on this work by performing architect-engineering of the plant, for demonstration purposes. Preliminary research indicates that on the basis of a 50 million GPD distillation plant, 1000 gallons of fresh water could be delivered for 42 cents, which would include all capital and operating costs. A converter of this size would cost about $42 million and would fulfill the water needs of a quarter of a million persons. Fluor also felt that based on their detailed engineering studies a similar facility based on 130 million gallons of fresh water daily the cost could be reduced to from 24 to 31 cents per thousand gallons which is no more than the average U. S. consumer paid for domestic water just ten years ago.

Since potable water is a world problem and will grow worse unless solved the whole field of water desalting seems an intriguing long-term investment opportunity. Fluor Corp. because of its basic research position in this field, combined with its excellent reputation as an engineering consultant seems likely to be one of the principal beneficiaries of such future developments. The stock currently selling at around $24 a share is strongly supported by earnings from the company's regular operations, yet at the same time offers, at relatively no added cost, participation in the long range development of either its own or, on an engineering consultant basis, other processes for

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Form Hopson Inv. Co.

BIRMINGHAM, Ala.—Hopson Investment Company, Inc. has been formed with offices in the Massey Building to engage in a securities business. Officers are Bascom H. Hopson, Chairman of the Board, President and Treasurer; H. L. Hopson, Vice-President; and Joseph E. Kolter, Secretary.

This Week's Forum Participants and Their Selections

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Fluor Corporation — Douglas Campbell, Manager, Research Dept., Ladenburg, Thalmann & Co., New York City. (Page 2)

A Searching Look at 1961 And Our Economic Problems

By Reuben E. Slesinger, *Professor of Economics, University of Pittsburgh, Pittsburgh, Pa.*

Pittsburgh economist explains why it may not be until late 1963 before what might be called a normal economic growth rate is restored—assuming no unusual defense or other outlays. In projecting a $7 billion increase in 1961's GNP to $510 billion, Professor Slesinger assumes industrial output will advance only a few points above its present level. He provides a sector-by-sector analysis of the economy's prospects and pinpoints as the basic problems facing us the absence of an incentive for industry to invest and the need to absorb the hard core of the displaced unemployed. Cautioning that government spending can be of the aspirin type, the economist favors a dynamic fiscal policy geared in the direction of improving investment and profit opportunities which can obviate the need for aspirin type of unemployment relief once the economy operates properly.

By now sufficient statistical evidences are available that have the effect of introducing a considerable degree of caution in any forecasts of business conditions for 1961. A year ago, most business forecasts were mildly optimistic for 1960 and rather strongly optimistic for 1961. There was general belief that most sectors of the economy would achieve new records, especially in view of the more or less settled status of nationwide labor-management relations. Although the year 1960 itself was not viewed as one that would demonstrate booming growth, there was a more or less general feeling that it would reflect a high rate of industrial activity, increased employment and reasonably full utilization of resources.

Dr. R. E. Slesinger

Aside from some warnings about minor downward movements, there was nearly universal belief that the decade of the 1960s would be the period of the fabulous years. All sorts of predictions were made as to the increase in gross national product, standards of living, average income and outlays by both business and consumers for the decade. Much hope was pinned on the expanding population as constituting a backdrop against any severe decline. Talk about the impact of automation in reducing the number of available jobs with a given level of production had not yet become commonplace.

As the year progressed, the nation came in for a rude awakening. After the first quarter of the year, leading indicators more and more came to reveal certain disturbing forces beginning to operate. Trouble spots began to appear in one area after another, especially in the accumulation of inventories, the diminution in gross private investment especially for new plant and equipment, the decline in the money supply and the unsettled status of the balance of payments with gold flowing out of the country in disturbing quantities. By mid-July 1960, the money supply—the total of bank checking accounts and currency outside banks—was around $138 billion or about $3 billion below 1959.

What was highly significant was the fact that the supply was below 1959, not so much the amount of the difference. One should point out, however, that the Federal Reserve System might share some blame for the shrinking money supply since this was one of its policy goals, at least early in the year when there was some fear of inflation induced by easy money. Perhaps, the overt efforts in this direction went too far, and it is easier to shrink the money supply and induce a business contraction than it is to stimulate a business expansion by increasing the supply, a fact money managers have learned long ago.

Businessmen must take a calculated risk in any borrowing transactions—that the future marginal productivity (efficiency) of their investment will compensate for the cost of money and yield a sufficient return to induce the initial borrowing. The cost of money, thus, becomes only one of the factors in his decision-making process. Later during the year, when it became more evident that the economy had entered a downward movement and that business investment was declining, the Reserve System tried to make money cheaper in order to stimulate expansionary efforts. But, businessmen were not ready to accept the low cost of money as a sufficient inducement; evidently, the profitability of investment opportunities was not present and, when present, were less than required to induce investment, in spite of the lower cost of money. The sluggish behavior of the money supply in recent months is a disturbing factor and does not indicate a substantially healthy status of business expectations.

Inventory Complications

So far as the domestic economy is concerned, perhaps the most disturbing factor last year was the behavior of inventories. Inventory dislocations really date back to the early days of 1959 when talk first began about the now famous steel strike. Steel mills operated at high levels of capacity in order to fill the pipelines that were concerned over possible future shortages. There was a general feeling, too, that after the strike, there

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Salada-Shirriff-Horsey, Ltd.

By Dr. Ira U. Cobleigh, Enterprise Economist

A swift review of a company that by mergers, by introduction of imaginative new food products and by managerial competence has rapidly expanded its sales and profitability.

This is a world of speed. A Russian has just travelled 17,000 M. P. H.; we jet across country in less than five hours; and dinners that used to take hours for milady to prepare can now be whisked onto the dining room table in a matter of minutes—thanks to instant foods. That's where Salada-Shirriff-Horsey, Ltd. comes in. This Canadian based enterprise has been moving rapidly ahead in these "instant" products and now turns out mashed potatoes that will fluff in a trice, Shrimp Newburg that reaches serving perfection after six minutes of boiling in the plastic bag it comes in, instant puddings for dessert, tea that comes immediately to life merely by adding boiling water, and fruit juices that become full bodied from tiny crystals by the application of tap water.

These are some of the products of SSH today and only quite recently have all the divisions that make these many functional foods been brought under one roof. In 1955 the company first offered its shares to the public as Shirriff-Horsey, Ltd. In 1956 the Canadian and American companies of Salada Tea Company were assimilated into the corporation; in 1958 the "Junket" Brand Foods division was acquired; and in 1960 Plant Industries, Inc. specialists in citrus fruit concentrates was merged. All of these expansions added new dynamism to the company and set the stage for a sustained rise in earning power and in corporate stature. Today SSH sales are running well over $50 million annually and the company's common stock is now the valued possession of over 7,000 stockholders.

What Makes Company Tick?

It might be a good idea to review briefly the plants and products which have contributed to the forward motion of this animated enterprise. Tea is most important and the Salada brand now suplies one-third of the entire Canadian market and ranks as the number three brand in the United States, although it is only merchandised along the Atlantic Seaboard. Expansion of the sales area and the rising popularity of Salada Instant Tea point to stimulated future revenues from tea.

"Junket" is an extremely well known brand name. Under this name the company manufactures a broad line of instant desserts, gelatines, cake frostings and fudge mixes.

The "Shirriff" brand name includes a smartly merchandised line of instant puddings (six flavors), fruit jellies, jelly desserts, pie fillings, vanilla extract and sundae toppings. The newest, and probably most rapidly growing item in the "Shirriff" product line, is pre-cooked "Instant Mashed Potato Flakes." Production of this fluffy food line began in late 1959. Response was so eager that original production capacity has already been doubled. "Shirriff" is making the potato masher as obsolete as the buggy whip. Supplementary convenience potato products include "Shirriff Au Gratin, Scalloped and Sliced Potatoes."

Branching into the snack food industry SSH acquired, in late 1960, Made-Rite Potato Chips Limited, and Watson Food Products, Ltd., and now does a thriving potato chip business under the Made-Rite and Watson's labels.

An exceedingly bright future lies ahead of SSH in its development, promotion and sale of pure instant citrus juice crystals. These are the end result of years of research involving the expenditure of millions of dollars and the overcoming of a myriad of obstacles. Today, simply by stirring dehydrated pure juice crystals into water, it is possible to deliver a citrus juice with 96% of the Vitamin "C" content of fresh fruit. This process has been acclaimed as the third major historic break-through in the concentration of citrus fruits. Crystals weigh but 1/7th as much as canned juices and only half as much as equivalent frozen concentrates.

All Alone

SSH (through Plant Industries, Inc.) is the world's only producer of instant citrus fruit crystals, and has, before it, a market of exciting dimensions. The problem of supplying many areas of the world where Vitamin "C" elements are nutritionally needed, but where citrus resources, transportation and refrigeration are lacking, has now been solved. The compact convenience of citrus crystals makes them ideal for use on airplanes, submarines, camping trips and expeditions. Broad uses are found among heavy demand buyers—the military services, hospitals, hotels and restaurants, big industrial and institutional buyers.

During 1960 SSH acquired the controlling interest in Plant Industries, Inc., the sole processor of citrus crystals. At Plant City, in the heart of the orange and grapefruit district of Florida, the company's plant is humming, turning the juice of 30 million oranges into about a million pounds of crystals a year. Instant orange juice is at last a reality and, SSH, as the exclusive pioneer in this field seems now in a position to cash in on a product with a fabulous potential demand.

Rounding out the line of instant, or swiftly prepared foods is the SEA division, turning out under the SEA, and Harbor House brands, Shrimps, Shrimp Creole, Curry or Newburg, all packaged in plastic bags for almost effortless preparation and serving.

These diverse food products represent an interesting and attractive inventory. SSH, however, is constantly at work on new products which fit into its total merchandising plans. At a Research and Development Centre at Little Falls, N. Y., new foods are constantly being ideated, tested and perfected. And, of course, the company is exceedingly merger minded, and may well acquire, as it has in the past, other companies with compatible product lines.

Not only has SSH moved forward on the basis of the diversity and excellence of its products but it has been smart and aggressive in its merchandising. Advertising and promotion have been extensively conducted throughout Canada, the United States, in the Caribbean area, and, increasingly, abroad. In fiscal 1960 SSH advertising appeared in 190 magazines, newspapers and supplements, delivering over 360 million advertising messages.

Strong Financial Condition

Financially SSH has demonstrated a lot of forward motion. Sales are now well over $50 million annually and the rise of earnings has been impressive. Net income has advanced steadily from $400,000 in 1956 to over $2 million for 1960. Over the past four years net earnings have doubled.

Balance sheet position of SSH is excellent with current assets at the end of fiscal year (9/30/60) of $14.6 million against current liabilities of only $5.1 million. Funded debt of less than $9 million is followed by 2,100,000 common shares listed on the Toronto Stock Exchange.

Because of the steadily rising per capita income in the U. S. and Canada, and the surging demand for convenience food, it appears that Salada-Shirriff-Horsey, Ltd. is well placed in an industry with way above average growth potentials. Coming from relative obscurity six years ago SSH has attracted a substantial investment following on both sides of the St. Lawrence. Although the shares are selling around a new high at 18½, the equity is quoted at only 18½ times indicated 1961 per share net earnings of $1 a share. In these days of romantic appraisals of growth stocks, such a multiple does not seem particularly frightening. In any event, if you look further into this lively enterprise, you may reach the conclusion that possibly Salada is your cup of tea.

Alfred Dau V.-P. Of Hooker Fay

SAN FRANCISCO, Calif.—Alfred M. Dau has been elected a Vice-President of Hooker & Fay Inc., 211 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges.

Shaw, Bauer Branch

LAKEWOOD, Colo.—Shaw, Bauer and Company, Inc. has opened a branch office at 1480 Hoyt Street, under the management of John W. Wright.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The Morgan Guaranty Survey published monthly by Morgan Guaranty Trust Co. of New York reveals that the parade of statistics over the past month has strengthened the impression that the recession has run its course, and has enlisted a considerable number of observers to that view. Comprehensive monthly data, which are available only with a time lag, show that the tendency toward stabilization was fairly well defined by February, while more recent weekly figures are suggestive of modest improvement. It is too early to be absolutely sure that an upturn is in the making, but the signs are sufficiently encouraging to justify the working hypothesis that gross national product and most of the other key measures of activity will be somewhat higher in the second quarter of the year than in the first. Employment and unemployment figures should begin to look better in that period, although reduction in the latter may be slow, as it was in the 1958 recovery.

Probably more heartening than any other sign has been further evidence of improvement in the conditions that underlie manufacturing activity. In February, inventory liquidation by all manufacturers amounted to less than $100 million, roughly the same as in January but much less than the average monthly retrenchment in the fourth quarter of 1960. This strongly suggests that manufacturers had already reached a point early this year where they did not wish to cut stocks much further. February data also reveal a rise in order placements. The total of new orders received by manufacturers increased almost $600 million for the month and slightly exceeded the volume of shipments, which also rose. This brought to a halt the previous attrition in backlogs.

Strength since February in retail trade indicates moreover, that manufacturers' order experience probably has remained favorable. Department stores did a good volume of business in the pre-Easter period, and the pace of new-car sales during March quickened considerably, prompting automobile manufacturers to make substantial upward adjustments in second-quarter output schedules and to step up purchases of materials. Steel activity already is benefiting from this. In the latter half of March ingot production resumed the upward trend that had begun early in the year but was interrupted briefly in February and early March.

More evidence will have to be seen to warrant a firm judgment as to the probable strength of recovery. A consensus seems to be forming that the upturn will be relatively slow. This is typically the view at the end of recessions, when people concentrate on the search for specific areas of likely strength and often do not find them. Frequently overlooked at such times is the inherent tendency of recoveries, once initiated, to be self-feeding.

The big worry this time is that plant and equipment are substantially overbuilt and that hence no significant support can be expected from business investment. Capacity does look large, not only in relation to current levels of output but also in relation to activity at the last business peak. Current production levels, however, are recession levels and therefore not really relevant. Relating present capacity to the level of output in 1959-60 also may be considered misleading if it is held that the expansion then under way was nipped short of flower by the confluence of steel strike, abrupt shift from deficit to surplus in the Federal budget, and restrictive monetary policy. Had the 1959-60 recovery run its course, in this view, the capacity-output relation would have a much different appearance.

Bank Clearings for Apr. 15 Week Were 1.1% Above Corresponding 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 15, clearings from all cities of the United States from which it is possible to obtain weekly clearings was 1.1% above those for the corresponding week last year. Our premliminary totals stand at $27,534,357,941 against $27,224,904,487 for the same week in 1960. Our comparative summary for the leading money centers was as follows:

Week Ending April 15—	1961 (000s omitted)	1960 (000s omitted)	%
New York	$14,975,601	$15,339,991	— 2.4
Chicago	1,343,566	1,044,799	+ 28.6
Philadelphia	1,138,000	865,000	+ 31.6
Boston	788,516	787,322	+ 0.2

Steel Production for April Looks Like It Will Be the Best 1961 Month

Demand for steel seems to have taken on real buoyancy for the first time in the upturn, *The Iron Age* notes. And if this situation continues, the comeback in steel operations could begin to feed on itself, further adding to the pick-up.

So far, gains are more apparent in statistics than in comments from steel executives. Sheet and strip orders, highlighted by galvanized and tinplate, provide encouragement. To a more limited extent, so do structurals. But bars, wire and other heavy steels are either spotty or responding sluggishly to the upturn and sales executives are discouraging bullish talk.

But the magazine points to these facts on the over-all situation as impressive—

(1) Orders for April shipments are running 10% over the comparable March position for some mills. Because of fewer shipping days, the total gain is expected to be less than 10%, however.

(2) May orders for some mills are 10% or more ahead of the April position.

(3) Rate of order intake has been above 60% for four weeks now. Order flow is described as more solid than ever before.

(4) Steel operations moved over 59% last week, based on 1960 capacity.

Some other factors are largely a matter of promise and potential. But they will undoubtedly have their effect on the market, the national metalworking weekly says.

A large Midwest mill notes, for example, that instead of orders being cut back as in previous months, it has received no cutbacks or cancellations in April. And this month looks as though it will be the best so far in 1961.

Steel service centers are watching mill sheet delivery schedules closely. They don't want to be caught short in the event there is a stretchout in delivery promises. Some have already stepped-up

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OBSERVATIONS...

BY A. WILFRED MAY

OF SOPHISTICATES AND STOP-ORDERS

During today's torrent of huckstered stock market hokum (with distribution as complained of in the SEC-J. M. Landis anti-adviser offensive, and as otherwise peddled), any author abstaining from the million dollar *System* Hard-Sell surely should get one of the week's Oscar awards (along with Elizabeth Taylor, Shirley Jones, Zero Mostel *et al*).

Our nominee in this area is Burton Crane, for his authorship of *THE SOPHISTICATED INVESTOR* (Simon and Schuster, New York; 273 pp., w. index; $3.95). Originally published in April, 1959, the book is now going into its eighth printing.

In lieu of enticing you with an author's pet get-rich-quick gimmick, this volume's *How-Toness* is concentrated on the reader's educational understanding of the various popular market techniques as practiced by all the leading experts. Mr. Crane's job as daily market columnist of the New York *Times*, with one of his stints comprising round-the-clock phone inquiries to the Street's analysts, eminently qualifies him for his objective book reporting.

Handling a Popular Speculative Gadget

The author's objectivity is significantly manifested in his edition-to-edition modification of his suggested use of the market STOP-ORDER. (A STOP ORDER is a formal definite order to buy or sell a stock "at the market" when it reaches a stated price. A STOP-LIMIT Order, more cautious and less frequently used, tells the broker to sell at a fixed price or better after the order is "elected" by having another lot sell at the given price.)

Mr. Crane's open-mindness here highlights this recently emerged importance of speculative (surely not investment) device which has been becoming even more important in feeding the market boom, via both the ticker and the "literature."*

Since May 1959 the Exchange has banned the placing of Stop Orders in the following issues, "in view of conditions which exist in [their] markets": Thiokol, Studebaker-Packard, American Motors, NAFI, Standard Kollsman, Lionel TelAutograph, Comptometer, Baltimore & Ohio, and Brunswick.

And just this week the American Stock Exchange announced its permanent banning of *all* Round Sell Stop Orders, effective next Monday (April 24).

Spreading the Gospel

Of infinitely greater impact than the Stock Exchange's informational literature has been the best-selling *How-To* book by the itinerant dancer, Nicolas Darvas. As one of the twin techniques for knocking off the market millions (the other being choreographic variations of time-worn *break-out* "signalling," this maestro "techno-fundamentalist" offers "trailing stop-loss insurance."

Not only is this just another enticing variation of the bettor's old "draw down" of winnings in craps, roulette, the ponies, marbles, etc.; but in the stock market it just doesn't work, for either the long-term investor or the in-and-out trader. (In "Observations" of Aug. 25, 1960, we included a chart and table demonstrating that, typically, during the 1825% rise in Minnesota Mining since 1949, the holder addicted to stop-loss "insurance" would have been knocked out of his invested position in each of the intervening years. Over the short-term, we showed that the author used the *stop* best—in his Thiokol killing—when he decided *not* to use it. That is, the one occasion he realized that, unfortunately, you can't have your cake and eat it too.

Trend Chasers' Tranquillizer

We hope the reader does not deem us too esoteric in holding that the trend chasers, including even those elite Dow-Theorists, really also use the stop-order technique—with the purpose of getting a cheap emotional backstop. Adviser George Schaefer, as explained in his current tome, "How I Helped More Than 10,000 Investors to Profit in Stocks!" sells a stock if and after it has re-traced just [?] 50% of its previous advance. (*Reductio ad absurdum* proof of our overall indictment?)

Mr. Crane's Flexibility

No doctrinnaire he, fortunately, Mr. Crane in the seventh printing of THE SOPHISTICATED INVESTOR back in November, 1910, abandoned the conventional placing of market Stops, and offered the following timely amendment:

"This mechanical way of playing the market falls down now and then, most notably when too many speculators are trying to use it. Then stop piles on stop and, in the language of the Street, 'the amateurs get their brains kicked out.' At such a time I suggest the 'John Magee stop.' Mr. Magee would have you set your stops in your head. Then, when your stock *closes* below the mark you have set, you courageously sell out the next morning *at the market*. No fooling around. But may I suggest that you dodge the opening crush of excited orders by selling after 11:00 a.m.?"

Broad Coverage

Mr. Crane's other explanations, lucid and non-technical, cover trading tips (all 57 varieties) from the Big Boys; the Systems and charts of every kind; those Signals: that whole Growth concept, including the mythology; Formula Plans; the Funds; and even some constructive how-to-ism about your taxes.

Thus, the book truly proves a useful classic *speculative* guide. Although possibly not appreciated as a compliment by the author, our "speculative" classification should be so accepted. For it is badly needed for the constructive education of the community, which is in an *Old Era* of boredom with such old-fashioned fuddy-duddies as income and business ownership (and surely with the "people's capitalism" pill prescribed by the Stock Exchange); rather than the more zestful tracking down of market profits (if not always "killings").

Spoon-Fed Clientele

Fortunately, in view of its so popular applicability to language-learning, gardening, etc. etc., the phonograph recording book has captured Author Crane's investment *educational*. Reproduced on six long-playing records, they are published and actively distributed by the American Paramount Record Corporation.

So appealing has this spoon-feeding technique become that billionaire Paul Getty (apparently becoming a bit egg-heady; viz. his current article in *Playboy* magazine) is reported to have just ordered 200 sets for the edification of his disciples.

Significant to the consideration the unending Investment Public Relations controversy, is the masterful merchandising of this package. It was felt necessary to have the recordings' cover in two colors, captioned "*STOCK MARKET PROFITS — For the Sophisticated Investor—Learn the money making secrets of the pros. Start on your second million now, stop worrying about your first!*" Centered between these so-glamorous legends are a photographed pair of hands holding—yes—a piece of ticker tape with symbols and prices (GR—57¼ CY—43½ . . .).

Remarkably then in contrast to this glamorous exterior, auditioning the content reveals, most commendably, a remarkably thorough and serious tenor of facts and presentation.

Included in the thorough phonograph treatment are these controversial topics: the effect of margin cuts; the impact and calculation of compound interest payments; the actual year-to-year earnings record of so-called "growth" issues; the performance of the "Biggest Stocks" (Blue Chip-ism); the effect of mergers, etc.

* * *

Surely—a book and a recording for "the Sophisticated Investor"—and even more truly, by a Sophisticated *author* via Sophisticated *merchandisers*.

And in making a substantial contribution to the education of the individual investor, they are furthering the most effective preventive of distasteful reform legislation!

*The New York Stock Exchange in the calmer 1950s issued in September, 1958, one of its informational brochures on "THE STOP ORDER" with the subtitle, "A Guide for the Careful Investor." While this trader's gadget did not then exert such market commotion as now; even then the Exchange's dubbing of its users as "careful [sic] investors" was surely engaging in "investment" sanctity stretching. Investment-wise, the Stop Order's use is devised on the nonsensical principle that a reduction in an issue's price makes it less—not more—attractive! More of that "don't-argue-with-the-tape" credo—perhaps valid for the speculator, but surely having no relevance to *investment* under any definition.

Bernard, Winkler To Admit Partner

Bernard, Winkler & Co., 50 Broadway, New York City, members of the New York Stock Exchange, on May 1st will admit Luke J. O'Shaughnessy and Alphonse C. Fattoruso to partnership. Mr. Fattoruso is the firm's office manager.

Financial Planning Branches

Financial Planning Corporation of New York has opened three new branches: at 1521 Broadway, Ft. Myers, Fla., under the management of Morris Herman; at 792 Imperial Drive, Largo, Fla., under the direction of Otha Jordan; and at 1040 Springfield Ave., Irvington, N. J., under the direction of Jerrold Goldstein.

Trulock Branch Opened

JONESBORO, Ark. — Trulock & Company Inc., has opened a branch office at 330 East Nettleton St., under the direction of J. L. Jones.

Shearson, Hammill Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—John H. Homme has been added to the staff of Shearson, Hammill & Co., 3324 Wilshire Blvd. He was formerly with Dempsey-Tegeler & Company.

Don I. Cole Opens

WOOSTER, Ohio—Don I. Cole is conducting a securities business from offices at 234 North Buckeye Street, under the firm name of Don I. Cole & Company.

How to Determine When The Bull Market Will End

By Roger W. Babson

Mr. Babson provides the answer to this elusive mystery. He sets up eight signs that signal when a bull market will culminate; advises selling "at a fair market" rather than a fixed price when getting out; and doubts governmental action can do more than delay the expected —barring the unexpected.

After my 50 years of study of the stock market, I tender a list of signs for the culmination of a bull market, and offer an important final conclusion.

Watch Wall Street Statistics

(1) I like to notice the number of shareholders of the larger corporations. When the number of shareholders begins to decline, it means to me that we are nearing the end of the bull market . . . that the insiders are selling out.

(2) I watch the level of brokers' loans and the degree of market activity. There is a steady rise in both of these preceding the culmination of a bull market.

(3) I like to watch the published percentage of total borrowing by members of the New York Stock Exchange. When it is 6% or more, the stock market is in a vulnerable position.

Stock Prices and Money Rates

(4) A prolonged period of tight money with low bond prices and large stock transactions usually points to the termination of a bull market. Of course now, with President Kennedy attempting to control the money market, this situation is not so significant.

(5) Although the Dow-Jones Averages may continue to go up for some time before the bull market culminates, this does not mean that the stocks you hold will go up any further. Therefore the table of New Lows which appear in the daily newspapers should be watched and compared with the general averages.

Bond Prices vs. Stock Prices

(6) Never wait until the movement in the stock market appears on the front page of your daily newspaper. The newspaper's city editor determines when the stock market news should appear on the front page. It is always well to be acquainted with that man and find out how he stands with his holdings.

(7) The relation between stocks and bonds is worth watching. As a rule, bonds begin to decline first. As long as the bond yields are falling, there need be little fear of the bull market's culminating.

(8) All the talk about mergers, consolidations, etc., should be read. Naturally, the directors of a company are in the best position to get earnings news. As long as the company is earning good money and its prospects are good, directors are not interested in consolidations or mergers. Hence, these news items about consolidations may be good signals that a bull market is culminating. In the case of the death of a large stockholder, this is usually a signal that the stock will sell off.

When you make up your mind that the bull market is culminating, you should not be too anxious to get out at the top. When deciding to sell, enter an order to sell "at a fair market," rather than at a fixed price. Remember that the large brokerage houses always balance the relative number of orders to buy or sell and the prices at which the orders are to be executed. As these brokers compare notes, when they go out to lunch, the game is stacked against those who are depending on "fixed" selling orders.

Conclusion: In the long run, we must not forget Sir Isaac Newton's "Law of Action and Reaction" pronounced in 1687 and translated into English in 1729. Since the beginning of time, every period of prosperity has gone too far and has been followed by a period of reaction. When we were on the gold basis, the investor could forecast this change; but now we are on a political basis instead. President Kennedy, the Federal Reserve, and Congress can extend the present bull market—but they are simply delaying the final evil day by so doing. FINALLY, ALWAYS BE PREPARED FOR SOME UNEXPECTED EVENT. SUCH AN EVENT USUALLY MARKS THE IMMEDIATE CULMINATION OF A BULL MARKET.

Sedgewick Named By W. C. Pitfield

MONTREAL, Canada—W. C. Pitfield & Company, Limited, 235 St. James Street, West, has announced the election of K. M. Sedgewick as Executive Vice-President and Director.

TAX-EXEMPT BOND MARKET

By DONALD D. MACKEY

The state and municipal bond market has withstood seemingly adverse bond market factors during the past week and has changed but little, either technically or as to average prices or yields. The new issue calendar continues to total around $500 million, which is a relatively normal amount for this time of year. The inventory situation, although heavy ($417,876,000 *Blue List* state and municipal total as of April 20), does not constitute a serious market deterrent at this point and the average price level, as measured by the various state, municipal and authority bond indexes, would appear to be relatively favorable to all but the smallest of investors.

Treasury Market Sets Pace

Excepting temporary fluctuations caused by irregular supply or poor timing, the municipal bond market price level is in general usually patterned after the markets for U. S. Treasury securities. Treasury security markets are to a very large extent directly and indirectly influenced by the Federal Reserve in its over-all monetary and open market operations. Since last February, the Federal Reserve has been particularly active in Treasury note and bond issues and has maintained a thoroughly orderly government bond market as well as exerting a general monetary ease. There has been but little market change in most of the note and bond issues. This stability has tended to keep the general price level of state, municipal and corporate bonds at least stable.

As we have frequently pointed out, there have been several large state bond offerings that have been priced to fit the immediate broad demand and have thus been cheap against the general bond market but, by and large, state and municipal bond price relationships have been orderly and consistent through the past few months in the manner of the government bond market.

Corporates Depress Municipals

During the past few weeks circumstances have exerted pressure on the bond market as a whole and on the corporate bond market particularly. Foreign developments in a broad way have recently become a bond market negative.

As to the corporate market, an unusually light supply of issues during the early part of this year developed a pattern of overpricing in an almost chain reaction. Quite suddenly the situation has changed and a condition of oversupply has been generated. As a result, this segment of the bond market has been upset and pricing technique has temporarily at least been unable to effectively evaluate the supply to the demand. New issues are backing up as price concessions appear presently unrealistic to many of our largest institutional interests.

This situation has been contagious to other phases of the market and, by association, has slowed down the bond market generally. Municipal issues are no exception. Recent new issues have not been really well received by investors as most of them have been less than half sold on initial offering.

Yield Index Steady

However, the recent supply has been moderate enough to sustain the price level in a loose kind of way. It has been fairly stable thus far in 1961. The *Commercial and Financial Chronicle's* high-grade 20-year bond yield index is about unchanged this week at 3.337%. A week ago it averaged 3.338%. The high point of the market for this year was reached in late February (March 1 index 3.204%). Our averages indicate only a two point average decline since that time.

The toll road bond average does not follow this format. On April 13, the last reporting date, the *Smith, Barney & Co.* toll road bond index averaged a yield of 3.70%. In early March this average yield was 3.74%. This would roughly indicate an average market gain since then of about three-quarters of a point. In partial explanation of this market anomaly, it may be said that general as well as seasonal improvement in toll road revenues is a substantial factor.

Factors Indicate Lower Bond Prices

The pressure on the bond market cannot be expected to become less in the months ahead. New issue volume, both municipal and corporate, will be relatively heavy at least into the summer. The imponderables deriving from international politics will constitute a constant pressure toward lower bond prices. Improving business will exert gradual pressure in the same direction.

With all of these factors incessantly at work it may develop that, by the summer months, the Federal Reserve will have accomplished an excellent job exerting balanced monetary ease, but that bond prices generally may be a little lower. However, a broader market may again be served by a more active bond business.

Recent Financing

This week the new issue calendar in terms of volume was extremely light, although there were a number of relatively small issues up for sale. Several of these issues are worth commenting on. The week's largest issue, which was sold on Thursday, April 13, was $4,700,000 Marin Municipal Water District, California improvement bonds due 1965-1991. The high bid for this issue was submitted by the syndicate managed by the Wells Fargo Bank American Trust Co. and including Continental Illinois National Bank and Trust Co., C. J. Devine & Co., Glore, Forgan & Co., United California Bank, and others. The bonds were reoffered to yield from 2.25% to 3.70%. At this writing about half of the bonds remain in account.

Also on April 13, Boston Metropolitan District, Mass. awarded $3,318,000 general obligation bonds (1971-1991) to the account managed by the Morgan Guaranty Trust Co. Included as majors in the account were Drexel & Co., Dominick & Dominick, and American Securities Corp. The issue was scaled to yield from 3% to 3.70% for 3.60s. Initial investor reception has been slow in generating and the present balance is $2,329,000.

Babylon, New York, Union Free School District No. 4 also came to market on April 13 with $1,736,000 (1962-1990) bonds. The issue was awarded to the group managed by Harriman Ripley & Co., Inc. and included among the underwriters were Lehman Brothers, Smith, Barney & Co., and the Mercantile Trust Co. Scaled to yield from 1.75% to 3.85% for 3.70s, the bonds met with excellent investor reception and only $270,000 bonds remain in account.

On Tuesday, April 18, Logansport, Ind. came to market with $3,400,000 electric utility revenue bonds due 1964-1981. The highest bid was submitted by the syndicate managed by Eastman Dillon, Union Securities & Co. and including White, Weld & Co., F. S. Moseley & Co., Paine, Webber, Jackson & Curtis, Francis I. DuPont & Co., and others. Upon reoffering the issue was priced to yield from 2.40% to 3.70%. The present balance is $1,620,000.

Also on April 18, $3,400,000 Phoenix, Ariz., street and highway improvement (1962 - 1980) bonds were won by the group managed by White, Weld & Co. in extremely close bidding. Among the underwriters in the account were Goodbody & Co., Rowles, Winston & Co., Johnston, Lemon & Co., and Rand & Co. The bonds are payable solely as to both principal and interest from funds allotted to the City of Phoenix as its share of the State Motor Vehicle Fuel Tax. They were reoffered to yield from 2% to 3.85%. At this writing about 60% of the bonds are out of account.

On Wednesday, April 19, Tillamook County, Oregon, People's Utility District awarded $4,400,000 electric revenue (1965-2000) bonds to the group managed by Smith, Barney & Co. and which included as majors Goldman, Sachs & Co., Equitable Securities Corp., and Weeden & Co. The proceeds from the sale of the bonds will be used to purchase the electric distribution properties of Pacific Power & Light Co. in Tillamook City Electric Distribution System of the district. Thereafter, the district will be the sole distributor of power within the county. The bonds were reoffered to yield 2.50% to 4.10%. Upon initial reoffering about one-quarter of the bonds were sold.

The Week Ahead

Next week's state and municipal calendar of sealed bid items is punctuated with three moderately sized state issues: $37,300,000 Oregon (General Obligations) $25,000,000 Michigan (Highway Revenue) and $15,600,000 Tennessee (General Obligation). The week's volume is well spaced. There are no negotiated issues scheduled.

It is reported that the $178,000,000 Massachusetts Turnpike Extension issue may be represented in the near future. The proposed flotation of 4.80s due 2000 was recently postponed.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.65%
Connecticut (State)	3¾%	1980-1982	3.35%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.30%	3.20%
New York (State)	3%	1978-1979	3.30%	3.15%
Pennsylvania (State)	3⅜%	1974-1975	3.10%	3.00%
Vermont (State)	3⅛%	1978-1979	3.20%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.40%	3.30%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.70%	3.55%
Chicago, Ill.	3¼%	1977	3.70%	3.55%
New York City, N. Y.	3%	1980	3.55%	3.50%

April 19, 1961 Index=3.337%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

April 20 (Thursday)

Elkhart South Side School Building Corporation, Indiana	2,140,000	1964-1991	2:00 p.m.
Estero Mun. Imp. District, Calif.	2,300,000	--------	--------
Ocean City, New Jersey	1,200,000	1963-1991	2:00 p.m.
Oklahoma City, Okla.	8,700,000	1961-1988	2:00 p.m.
Owosso, Michigan	3,870,000	1963-1986	7:30 p.m.
Public Housing Administration, Washington, D. C.	49,955,000	--------	Noon
Suffolk County, New York	2,893,000	1962-1980	Noon
Wilton, Connecticut	2,371,000	1963-1981	3:00 p.m.

April 24 (Monday)

Kansas City School District, Mo.	5,000,000	1962-1981	Noon
Ozark, Ala.	1,000,000	1962-2001	3:00 p.m.
Austin, Texas	5,000,000	1962-1986	10:00 a.m.

April 25 (Tuesday)

Alvin School Districts, Texas	2,250,000	1962-1976	8:00 p.m.
Babylon Union Free School District No. 9, New York	2,428,000	1961-1989	1:00 p.m.
Commanche County Independent School District No. 8, Okla.	1,250,000	1963-1969	1:00 p.m.
Easthampton, Mass.	1,400,000	1962-1981	11:00 a.m.
Granville County, North Carolina	1,250,000	1962-1979	11:00 a.m.
Guaynabo, Puerto Rico	1,000,000	1961-1975	Noon
Indiana University, Indiana	3,000,000	1961-1991	10:00 a.m.
North Hempstead, New York	2,255,000	1962-1989	10:30 a.m.
Oregon (State of)	30,000,000	1970-1978	9:00 a.m.
Oregon State Board of Higher Education, Oregon	7,300,000	1964-1991	9:00 a.m.

April 26 (Wednesday)

Edison Township, New Jersey	3,050,000	1963-1984	8:00 p.m.
Henry County, Va.	1,000,000	1961-1980	Noon
Isle of Wight, Va.	1,000,000	1961-1980	Noon
Lane County Sch. Dist. No. 4, Ore.	2,500,000	1962-1981	4:00 p.m.
Michigan	25,000,000	1962-1986	11:00 a.m.
Paoli Area School Authority, Pa.	3,850,000	1962-1986	8:00 p.m.
Tennessee (State of)	15,600,000	1963-1981	11:00 a.m.

April 27 (Thursday)

Berlin-Boylston Reg. Sch. Dist., Massachusetts	1,415,000	1962-1981	11:00 a.m.
Giles County, County Sch. Bd., Va.	2,350,000	1961-1980	11:00 a.m.
Louisiana St. Bond Bldg. Comm., Louisiana	1,000,000	1962-1986	11:00 a.m.
Middlesex School District, N. J.	1,011,000	1962-1981	8:00 p.m.
Minneapolis, Minnesota	4,510,000	1962-1980	10:00 a.m.

April 28 (Friday)

Nueces County, Texas	1,625,000	1963-1976	Noon

May 1 (Monday)

Jackson County, Center School District No. 58, Mo.	1,500,000	1962-1981	8:00 p.m.
Palm Springs Unified Sch. Dist., California	1,100,000	1962-1986	10:00 a.m.
Pima County High School District No. 1, Arizona	4,436,000	1962-1981	11:00 a.m.

May 2 (Tuesday)

Grand Rapids, Michigan	13,120,000	1962-1985	3:00 p.m.
Johnson County, Shawnee-Mission Rural High Sch. Dist. No. 6, Kan.	2,000,000	1962-1981	2:00 p.m.
Los Angeles Sch. Dist., Calif.	30,000,000	1962-1986	9:00 a.m.
North Olmsted, Ohio	1,971,000	1962-1986	1:00 p.m.
Raleigh, North Carolina	3,080,000	1962-1991	11:00 a.m.
Winnebago County School District No. 204, Ill.	2,200,000	1962-1974	8:00 p.m.

May 3 (Wednesday)

Miami Conservancy District, Ohio	2,715,000	1963-1986	Noon
New Albany-Floyd County Bldg. Authority, Indiana	2,700,000	1964-2001	10:30 a.m.
Port of New York Authority, N. Y.	35,000,000	1962-1981	11:?0 a.m.
State Teacher's College, Texas	4,110,000	1961-2001	10:00 a.m.

May 4 (Thursday)

Port of Seattle, Washington	7,500,000	1963-1971	10:00 a.m.

May 5 (Friday)

Pearl River Valley Water Supply District, Miss.	8,800,000	1964-1999	10:00 a.m.

May 8 (Monday)

Cranford Township, New Jersey	1,012,000	1962-1981	8:30 p.m.
San Bernardino Elementary School District, California	1,900,000	--------	--------

May 9 (Tuesday)

Cincinnati, Ohio	21,500,000	1971-2001	Noon
Piscataway Township School Dist., New Jersey	2,400,000	1961-1984	2:00 p.m.
San Diego County, California	7,500,000	1962-1981	10:30 a.m.

Monetary Policy Alone Cannot Cure Economic Ills

By Wm. McC. Martin, Jr., Chairman, Board of Governors of the Federal Reserve System, Washington, D. C.*

In rendering an accounting of the Federal Reserve's "nudging" or "all-maturities" policy, critics are asked to note that market yields on long-term securities are steady at levels appreciably lower than last year's highs, in the face of contrariant pressures, and that funds are beginning to flow more freely into activities favorable to economic expansion. Mr. Martin cites his awareness of the problems posed in this new procedure; pledges every effort to make it work without establishing arbitrary rates and limiting the free market's dictates; and disavows all but a small part for the success achieved to date. The central banking chief addresses himself to the problems of structural unemployment and the value of the dollar, domestically and internationally, though quiescent at the moment, and agrees with Secretary of the Treasury Dillon in urging a price reduction if we are to solve the nation's economic problems.

At the outset I want to make clear that I am not making any business predictions nor even forecasting what the level of interest rates may be a year from now. My concern is with basic principles and the application of these principles in such a way as to get the most and best out of the American economy, whose capacity and future no one can seriously doubt.

W. McC. Martin, Jr.

The strength of this economy, we all recognize, is based on the market system. It is founded upon concepts of private property, competitive enterprise, and the profit motive.

Experience has, in my judgment, pretty well demonstrated the reliability of the market system as a means of directing human effort—voluntarily, rather than by compulsion—to the task of achieving a higher standard of living for all. The more we can do to increase the breadth, depth, and resiliency of our markets, to use a phrase with which some have become familiar as a result of our frequent discussions of open market operations in government securities, the better off all of us will be.

Certainly if the western world is to have the economic growth and strength which is required to meet any threat that may be posed by the Communist bloc, we who inhabit the free world must do everything in our power to organize the resources of our communities in such a way as to maximize their combined economic potential. If we are to resolve permanently the balance of payments difficulties on which we have achieved a measure of progress over the past few months, and to play fully our role in the development of wider world markets, we must accept external competition as a challenge to be met on the time-honored basis of working more efficiently to produce goods and services at prices which people are willing and able to pay.

This, I recognize, is harsh doctrine to some and obviously a hard road to travel under some conditions. But the goals to be achieved are unlikely to be gained in any other way.

Advocates Lowering Our Price Level

Let all of us, in the banking community, in government, and in labor and management in every field of endeavor, accept this challenge. Throughout our country, we must not only increase our productivity but also pass some of the gains on to the consumer in the form of lower prices rather than having all of it go exclusively to labor in higher wages, or to management in higher profits. By this means demand can be stimulated to provide more jobs for those who are now unemployed, and to keep the economy moving to higher levels, and still greater job opportunities in the future.

Now one of the most visible and striking changes in the world of our time — and this is what makes the problem urgent — is the steady shrinkage of space.

Already, a globe-girdling network of fast air transport is binding our planet's three billion people together so closely that the word "stranger" has diminishing significance. The earth has been compressed into a neighborhood of some 120 nations.

Yet even by the biggest and fastest jet airliner, it still takes more than six hours to transport 125 people across the Atlantic. But by cable, it is possible to transfer 125 million dollars across the Atlantic almost instantly.

More important than the speed of a cable transfer, however, is the readiness with which the currency of one country can now be exchanged for that of another. For now that dollars, pounds, francs, marks, lira and yen can be exchanged almost as readily as a ten dollar bill for two fives, the financial linkage of the free countries of the world has, in a broad sense, been completed.

The implications of that fact, to which we as a nation only recently have been awakening, are enormous in practical significance. It means that in commerce and in finance Americans are in competition not only with each other but also with the world: in competition not only for goods and services but also for capital funds; in competition not only in design, quality, promotion and credit terms but also in prices; in competition not only for goods and lenders but also as buyers and borrowers. These things haven't come about overnight, and they didn't "just happen" by accident.

Soon after World War II we began to give generous aid to the war-devastated countries to help clean up the ruins, rebuild homes, factories, transport facilities in order to restore those countries to the family of self-suppotring nations. They did the work of reconstruction; we supplied some of the materials and tools.

In the course of time our aid programs bore fruit. The war-tron countries took on a new appearance. They changed from paupers to producers, from debtors to creditors, from borrowers to lenders, from aid to trade.

As they prospered they produced more and consumed more, got their finances in order, expanded their foreign trade, and created the means and opportunities for a freer flow of funds across their borders.

All these developments were rightly hailed as necessary steps toward world-wide economic rehabilitation. By the same token, our own role in international affairs has shifted. We are now in a new era of vigorous competition and new problems are an inevitable by-product.

In ten of the past eleven years we have been running a deficit in our international balance sheet. That means we have been spending, lending, and investing abroad more than foreign countries have been spending, lending, and investing here.

As long as the yearly deficit was of modest proportions there was no cause for alarm, but in each of the past three years — although for most of that period exports exceeded imports — the deficit ran well above $3 billion.

Trade Is a Two-Way Street

The international flow of goods and services and capital is a two-way street, and the traffic is mutually advantageous to all participants. It will benefit us as well as the rest of the world to expand the flow. One of the worst things that could happen to compound our balance-of-payments difficulties would be to adopt a restrictive trade and investment policy. It would wipe out the hard-won gains of years of effort to promote freer international exchange. The more we trade, the more we prosper. The less we trade, the less we have.

With European countries almost fully restored and with Asiatic and new African nations striving for better standards of living, we simply must recognize that we are living in a more competitive world. The way out of our troubles is not to draw into our shells, not to fence ourselves in, but to summon our strength, to launch out, to engage in the competitive fray for all we are worth.

Meeting the competition of the world requires of Americans initiative, imagination, inventiveness, enterprise, managerial skill and self-discipline, both in our private and in our governmental processes.

In domestic and foreign markets we are going to have to come up with the right goods and services, at the right places, in the right times, with the right prices.

We cannot afford to be priced out of the market by the wage-price spiral: in our private enterprise, employers must remember they are competing with other employers over the world for sales and profits, and employees must remember they are competing with other workers over the world for jobs as well as wages.

Neither can we afford to be priced out of the market by currency inflation: in our governmental processes we must guard against reckless budgetary and monetary practices that can undermine the value of our currency, and with it undermine our competitive position as both sellers

Continued on page 25

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Business Review — April 1961 — Harris Trust and Savings Bank, 111 West Monroe St., Chicago 90, Ill.

Canadian Securities — Monthly Bulletin — Ross, Knowles & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Chemical Stocks — Analysis — Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y.

Comparative Values—Comparison of U. S. and Canadian stocks — Wills, Bickle & Co., Ltd., 44 King St., West, Toronto 1, Ont., Canada.

Growth Utilities — Review of reasonable priced issues with particular reference to **United Gas Improvement, Kansas Power & Light** and **Rochester Gas & Electric**. H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an analysis of **International Mining Corp.** and data on **International Railways of Central America** and **Canadian Pacific**.

Japanese Market — Analysis — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of the Japanese **Construction Industry, Shipbuilding Industry**, and over-the-counter **Chemical** issues.

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Japanese Stocks and Candidates—Reviews of **Fuji Iron & Steel, Hitachi, Kansai Electric Power, Kawasaki Steel, Maruzen Oil, Mitsubishi Chemical Ind., Mitsubishi Heavy Ind. Reorg., Mitsubishi Shoji, Mistui & Co., Mitsui Shipbuilding, Nippon Electric, Nippon Kokan, Sony, Tokio Marine & Fire Insurance, Tokyo Shibaura Electric Co.,** and **Yawata Iron & Steel**—The Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y.

Life Insurance Stocks: A Way to Profit — Comprehensive booklet analyzing profit potential in life company common stocks — $1.00 per copy — Securities Research Corporation, P. O. Box 2701, Denver 1, Colo.

Municipally Owned Toll Facilities — Comparison of estimated and actual revenues—Stifel, Nicolaus & Co., Inc., 105 West Adams St., Chicago 3, Ill.

Oils — Study of 35 companies — Hardy & Co., 30 Broad St., New York 4, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Photography — Discussion of the industry with particular reference to **Bell & Howell Co., Dynacolor Corp.** and **Polaroid Corp.** — The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis.

Savings & Loan Holding Company Stocks—Analysis—J. M. Dain & Co., Inc., 110 South Sixth St., Minneapolis 2, Minn.

Savings & Loan Industry—Analytical brochure — Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

Stock Selections, Spring 1961 — List arranged by industries — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Trading Records of Stock Exchanges in North America—Comparative figures — The Toronto Stock Exchange, 234 Bay Street, Toronto 1, Ont., Canada.

Utility Common Stocks—Bulletin on selected issues—Bache & Co., 36 Wall St., New York 5, N. Y.

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Aircraft Armaments — Memorandum—Stein Bros. & Boyce, Starks Building, Louisville 2, Ky.

Allegheny Power — Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 5, N. Y. Also available are reviews of **Atlantic Coast Line, Chicago Musical Instrument Co., Federal Sign & Signal, Fischbach & Moore, Hotel Industry, Life Insurance Industry, Liggett & Myers, Olin Mathieson, Ronson Corp.**

American Radiator & Standard Sanitary Corp.—Data—J. A. Hogle & Co., 132 South Main Street, Salt Lake City 1, Utah. Also available are data on **Cincinnati Gas & Electric Co., International Nickel Co. of Canada, J. J. Newberry Co.** and **Standard Oil Co. of Indiana.**

American Rubber & Plastics Corp. —Memorandum—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

American Thread — Discussion in April issue of "American Investor"—The American Investor, 86 Trinity Place, New York 6, N. Y.—15c per copy, $1 per year. Also in the same issue are discussions of **Railroad Holding Company, Duval Sulphur & Potash, Crane Carrier Industries Inc.** and **Canadian Industrial Gas.**

Anchor Hocking Glass Co.—Memorandum — Woodcock, Moyer, Fricke & French, 123 South Broad Street, Philadelphia 9, Pa. Also available are memoranda on **Food Giant Market, Pennsylvania Power & Light Co.** and **U. S. Freight Company.**

Anglo Canadian Telephone—Memorandum — Amott, Baker & Co. Inc., 150 Broadway, New York 38, N. Y.

Atchison, Topeka & Santa Fe Railway Company — Analysis — John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Atlantic Refining Company — Analysis—Charles A. Taggart & Co. Inc., 1516 Locust Street, Philadelphia 2, Pa.

BTU Engineering — Memorandum —Clayton Securities Corp., 79 Milk Street, Boston 9, Mass. Also available is a memorandum on **Leaseway Transportation.**

Capital Cities Broadcasting—Memorandum—Sutro & Co., Van Nuys Building, Los Angeles 14, Calif. Also available is a memorandum on **ACF Industries.**

Capital Cities Broadcasting Corp. —Analysis—Pistell, Crowe Inc., 50 Broadway, New York 4, N. Y.

Capital Plastics—Analysis—Genesee Valley Securities Co. Inc., Powers Building, Rochester 14, N. Y.

Chicago Mill & Lumber Co.—Memorandum—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y. Also available are memoranda on **Dr. Pepper Bottlers Corp., Flying Tiger Line, George W. Helme Co.,** and **Salada Shirriff Horsey Ltd.**

Continental Assurance Company—Analytical Brochure — William Blair & Co., 135 South La Salle Street, Chicago 3, Ill. Also available is a brochure on **Continental Casualty Company.**

Detrex Chemical Industries—Memorandum—Wm. C. Roney & Co., Buyl Building, Detroit 26, Mich. Also available are memoranda on **Michigan Chemical Corp., Prophet Co., Tecumseh Products, Tranter Manufacturing, Vernors Ginger Ale** and **WJR** (The Goodwill Station).

Duncan Coffee Company—Analysis — Parker, Ford & Company, Inc., Vaughn Building, Dallas 1, Tex. Also available are analyses of **Commonwealth Life Insurance Company, Lytton Financial** and **Oklahoma Cement Company.**

Dynamics Corp. of America — Analysis—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Eichlin Manufacturing — Memorandum—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are memoranda on **Richardson Co.** and **Packaging Corp. of America.**

Elco Corporation — Bulletin — Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa.

Ford Motor Company of Canada—Analysis — Greenshields & Co. (N. Y.) Inc., 65 Wall Street, New York 5, N. Y.

Freeport Sulphur — Memorandum —Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

General Shale Products Corp.—Analysis—Glore, Forgan & Co., 45 Wall St., New York 5, N. Y.

Granite City Steel—Memorandum—Goodkind, Neufeld, Jordan Co., Inc., 400 Park Ave., New York 22, N. Y. Also available are memoranda on **U. S. Borax** and **Philco.**

Great Northern Pacific & Burlington Lines — Study — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Great Western Financial—Data—Evans & Co., Inc., 300 Park Ave., New York 22, N. Y. Also available are data on **First Charter Financial** and **Midland Capital Corp.**

Hazeltine Corp.—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is an analysis of **Olin Mathieson Chemical Corp.**

George W. Helme Company—Review—Ira Haupt & Co., 11 Broadway, New York 6, N. Y.

Hershey Chocolate—Data—Cooley & Co., 100 Pearl St., Hartford 4, Conn. Also in the same bulletin are data on **Carnation Co., Pitney Bowes, Pittston Co.,** and **Consolidated Airborne Systems.**

Heyden Newport Chemical Corp. — Analysis — Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Iron Fireman — Memorandum — Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

KVP Sutherland Paper Company — Report — Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also available are data on **United Merchants & Manufacturers, Cleveland Cliffs Iron, Atlantic Refining,** and **Boeing Airplane.**

Kendall Company — Analysis — Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

Libbey Owens Ford Glass — Memorandum—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also available is a memorandum on **Fluor Corp.**

Magnavox Company — Report — Droulia & Co., 25 Broad St., New York 4, N. Y. Also available is a progress report on **Institutional Selections** for fourth quarter of 1960.

Martin — Memorandum — McDonnell & Co., Inc., 120 Broadway, New York 5, N. Y.

Mine Safety Appliances Co.—Analysis—Schirmer, Atherton & Co., 50 Congress St., Boston 3, Mass. Also available is an analysis of **Sperry Rand Corp.**

Mobile Video Tapes, Inc.—Report —W. F. Taylor, 639 South Spring St., Los Angeles 14, Calif. Also available is a bulletin on **Aeco Corp.**

Nationwide Corporation — Study —Robert H. Huff & Co., 210 West Seventh St., Los Angeles 14, Calif.

New York City Bank Stocks — Quarterly Analysis of 11 bank stocks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Oil & Gas Investments—Information on tax shelter offered—Admiral Oils, Inc., 400 B Bettes Building, Oklahoma City 6, Okla.

Pacific Gamble Robinson Co. — Bulletin — De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y. Also available are reports on **Southern Equitable Life Insurance Company,** and **Morrison Knudsen Company.**

Pacific Hawaiian Products Co.—Memorandum — Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

Pacific Petroleums Ltd. — Analysis—Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y.

Pan Alaska Fisheries—Memorandum—General Investing Corp., 55 Broadway, New York 5, N. Y.

Philadelphia and Reading — Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Phillips Petroleum Co.—Report—A. M. Kidder & Co. Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Globe Union Inc.**

Reeves Brothers—Memorandum—Walston & Co. Inc., 74 Wall Street, New York 5, N. Y. Also available is a bulletin on **Machinery Shares.**

Richfield Oil Corp.—1960 annual report — Secretary, Richfield Oil Corporation, 555 South Flower St., Los Angeles 17, Calif.

Solitron Devices—Analysis—B. N. Rubin & Co. Inc., 56 Beaver Street, New York 4, N. Y.

South Georgia Natural Gas—Data —Shields & Co., 44 Wall Street, New York 5, N. Y.

Southern Company—Report—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **ABC-Paramount Theaters, Dominion Tar & Chemical Co.** and **Hilton Hotels.**

Standard Oil Company (Indiana) — 1960 annual report — Standard Oil Company (Indiana) Dept. W-100, 910 South Michigan Ave., Chicago 80, Ill.

Standard Register Co.—Review—Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y. Also available are data on **Winn Dixie Stores, Hamilton Cosco** and **Ritter Co.**

Sun Chemical Corporation — Report—Dreyfus & Co., 2 Broadway, New York 4, N. Y.

Thiokol Chemical Corporation — Report—Blair & Co. Inc., 20 Broad Street, New York 5, N. Y.

Trans Mountain Oil Pipeline Co. —Report—Dattels & Co. Ltd., 47 King Street, West, Kitchener, Ont., Canada.

U. S. Freight Co.—Review—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available are reviews of **Food Giant Market, Anchor Hocking Glass** and **Pennsylvania Power & Light.**

Valley National Bank—Memorandum—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Warner Lambert Pharmaceutical Co.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Wesco Financial Corp.—Analysis —Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Bailey Selburn Oil & Gas Ltd.**

The Business Outlook

By Ira T. Ellis,* *Economist, E. I. du Pont de Nemours & Co., Wilmington, Delaware.*

Du Pont's economist offers his assessment to the economy's outlook. Anticipated is a mild decline for the year but a rising upward trend at the year's end with over-all personal income at last year's level.

Individuals differ in their estimation of the current business situation and the outlook. There is no one complete answer to the question we are posing today. The business outlook is the sum of the plans and hopes of all of us. The business outlook is what we make it. This subject is always of interest because it is always changing. The volume of business activity in this country, or business investment, or employment, has an upward trend, but the rise is not steady. Some years show decreases, as are occurring in 1961, and some years show sharp increases, as occurred in 1959. America is growing, because the plans, the investment, and the work of businessmen make it grow. Economic growth—the rise in our standard of living or in the volume of goods and services purchased by people—is not automatic, and it is not provided by government. It must be produced by the savings and the hard work of all of us.

Ira T. Ellis

We have now completed one and a quarter of the years of the decade of the 1960s. Last year was a good business year in many ways, but apparently it was not good enough. It was a record year in many ways. In employment, in personal income, retail sales, industrial production, in the output of the chemical industry, in exports of goods and services, in the volume of outstanding bank loans and investments, and in many other measures. But it did not produce records in all areas, especially not in automobile production, or steel, or residential construction, or corporate profits, or farm income. In short, the year 1960 was a varied year, a year still distorted by the effects of the steel strike of 1959, a competitive year, a year of moderate price declines for industrial commodities but with a continuing rise in the prices of goods and services bought by consumers.

The year began with high hopes of a record business year, based importantly on an expectation of substantial inventory building. But the inventory build-up was substantial only in the first half-year. Inventories were actually reduced during the second half, and especially during the last quarter. The principal inventory increase and the subsequent reduction occurred in durable goods manufacturing, largely related to the aftermath of the 1959 steel strike.

All Government Spending Is Up

Spending by government at all levels for the purchase of goods and services continued to rise throughout 1960. The total for the year was almost $100 billion, with the Federal Government spending almost $52.5 billion, and the state and local governments almost $47.5 billion. Although we hear a great deal about the spending rate of the Federal Government, we should note that spending by state and local governments is almost as large, and it is rising faster than spending at the Federal level.

Another strong area of spending last year was the consumer segment. Consumer expenditures in 1960 for durable goods, nondurable goods, and services rose 4½% above their previous record level of 1959. But the rise in spending in these two areas of final demand — government and consumers—was significantly offset by the abrupt and substantial changes in demand for goods for inventories.

What about the outlook for 1961?

Industrial Production

The year 1961 will probably not be such a good year as was 1960, importantly because the current mild decline in business activity will probably continue well into the first half of this year. The decline so far has been relatively mild, actually the mildest in any business recession since 1926. The mildness of the decline suggests that there will be no abrupt change in the trend, but merely continued liquidation of inventory and some further decline in business spending for plant and equipment until the rising forces in the economy overcome the declining forces. It seems very probable that the business pattern during 1961 will be exactly opposite to that of 1960. Last year began on an optimistic note and ended with a mild decline. This year is beginning with a mild decline and I confidently expect that it will end with a rising trend. The level of industrial production in 1961 may be 4% below the average for the year 1960, but the level at the year-end will be higher than the present level. Although we are considering today principally the year 1961, this forecast of the usual pattern of production once a rise from a recession low has started strongly indicates that the year 1962 will be our next record business year.

Many of the areas of strength in 1961 will be the same as those in 1960, especially consumer spending for services, private nonresidential construction, and spending by government at all levels. A mild decline is expected in consumer spending for durable goods this year compared with 1960, reflecting importantly the current unsatisfactory level of automobile sales. Furthermore, only a modest increase is expected in 1961 compared with 1960 in the volume of private residential construction. There may also be a mild decline in business spending for new plant and equipment of the order of 3% or 4%. Finally, business inventories may decline moderately on the average this year, compared with their rise of $3.6 billion during 1960.

Price Level Rise

Prices of goods and services will continue to creep upward in 1961, as they did in 1960. If we study the prices of all goods and services in the Gross National Product, we find a probable price increase in 1961 of about 1.5%, compared with 1.7% in 1960 and in 1959. Remember that this all-inclusive concept of goods and services produced in the country includes government salary rates, construction costs, residential rents, college tuition rates, local transit fares, etc., as well as the more familiar costs for specific commodities.

Turning to the income side of our economy, we believe that the mildness of the decline that we see this year will keep personal income for the country as a whole above the level of last year. Total personal income in the country in 1961 is expected to be 2% higher than the total in 1960. Personal income will be supported by unemployment compensation, public and private pensions, and by increases in wage and salary rates and in employment. This stability of personal income during periods of mild business decline is something new since the 1930s and it contributes to the mildness of the business declines. Note that funds for unemployment compensation and for pensions are largely provided ahead of time during periods of high business activity to be used to support personal income during periods of low business activity or unemployment. They are real contracyclical forces and they are working.

Unemployment

There is much discussion today of the level of employment. Civilian employment — i.e., excluding the men and women in the armed forces — was at a record high level of 66.7 million in 1960, a million above the 1959 average, the previous record year. There has been some decline in employment early in this year, especially in manufacturing. Although the level of unemployment is currently higher than is desirable, remember that much of the unemployment is seasonal, or very short-term, or is caused by voluntary changing from one job to another. Employment over the past year has declined in durable manufacturing, but it has increased substantially in wholesale and retail trade, finance, insurance, and real estate, service industries, and especially in state and local government activities. Furthermore, although we stress the number of unemployed who are seeking work, we have no count in the country on the number of job opportunities which are unfilled. Certainly we need more school teachers, college professors, scientists, technicians, doctors, nurses, ministers, secretaries, people in domestic service, etc. The current high level of unemployment does not mean that no jobs are available, but that we cannot fill the available job opportunities from the available labor force. We must make strenuous efforts immediately to match our present labor force with the available job openings.

Summary

In summary, the year 1960 made new high records in many economic areas, but not in all. There were many soft spots. The year began high and finished low. One of the most favorable factors was the continuing rise in personal income. The outlook for 1961 is for a mild business decline, especially in the first half. This year should end on a rising trend. Many of the problems of 1960 will be with us this year—how to avoid a shooting war, how to stimulate employment, how to restrain increases in wage and salary rates to avoid the necessity for raising prices, how to balance our international accounts, etc. Although we have problems at the start of this new year, I believe it will be a satisfying year when we look back a year from now.

*From a talk by Mr. Ellis before the spring economic meeting of the Union Trust Company of the District of Columbia, Washington, D. C., April 5, 1961.

AF-GL Names Three Officers

The election of Peter J. Clancy, Robert W. Schwarting and Henry M. Stephenson as Assistant Vice-Presidents of Albert Frank-Guenther Law, Inc., national advertising and public relations agency, has been announced by Howard W. Calkins, Chairman of the Board.

All three Assistant Vice-Presidents are advertising account executives.

Mr. Clancy joined AF-GL in 1949 following 16 years' association with the J. Walter Thompson Co. advertising agency. Mr. Schwarting joined the agency in 1950. Mr. Stephenson started with AF-GL in August 1946.

Answers to Questions About Satellite Communications

By Frederick R. Kappel, President, American Telephone & Telegraph Co., New York City*

Mr. Kappel makes clear A. T. & T.'s position regarding outer-space communications systems. He voices confidence in its success, denies any intent to exclude international carriers, and looks to a Government bureau to put satellites up without, however, expense to the taxpayer.

It seems plain that satellite communication systems offer a practical means for relaying not only telephone conversations but also television and data across the oceans. We know how to build ground stations and satellites that will work together and in harmony with the communication networks of the various countries. We know also that satellite communication systems are urgently needed to supplement ocean telephone cables and other existing facilities, for the demand for international communications is growing very fast and the needs of the next few years must be met and met on time. Further, we are confident that the A. T. & T. Company can produce a serviceable, economical space communication system capable of giving high quality service to the public—and do it quickly. We are already well along on developing an experimental satellite. What we need now is for some branch of government to launch this so we can start testing. And we would be glad to pay for the rockets.

Frederick R. Kappel

There are several points that I would like to make clear.

No Monopoly Sought

First, the Bell System has no desire whatever to pre-empt space. We are not seeking a monopoly of space communications. Our interest is simply that space communication systems are a natural extension of networks used in providing service to the public.

Second, service by way of satellites would be provided under government regulation just as service by way of cables is provided under government regulation.

Third, under our proposal, ownership of a satellite system used for public service would be handled in the traditional way. The foreign terminals would be owned by the foreign communication agencies — just as the terminals of existing systems are owned today. The Bell System has had many years of fine and satisfactory dealings with these agencies all over the world and we wouldn't expect any change in this respect.

Fourth, so far as ownership at this end is concerned, the system we propose would be available to all international "common carrier" companies for any services that the Federal Communications Commission authorizes them to provide, now or in the future. This could be done either through leasing arrangements, as is now done in the case of ocean telephone cables, or by the other companies' participating in ownership of the system by sharing pro rata in the capital cost and operating expenses.

Fifth, we would expect to obtain a very large part of the ground station equipment, and many of the elements of the satellites themselves, on a competitive basis from other companies. So there would be all kinds of opportunity for the producers of electronic gear and many other products. And along this same line, while the government would doubtless supervise rocket launchings, the rockets and launching facilities would be supplied by private industry.

Sixth, the creation of the satellite system we propose in order to do our public service job as it ought to be done would not under any circumstances preclude the development of other space communication systems for other purposes. Space is a great big place and we don't expect to fill it.

I hope this will help to answer some of the questions and uncertainties I have read in the papers. We are convinced that the A. T. & T. Company's plans and proposals offer by all odds the best means to serve the public's increasing needs, to get a working system "in being" in the shortest possible time, and to insure that this country will lead the way in international communications. But there is nothing whatever in our proposals that would conflict with the American tradition or limit the opportunity of others. On the contrary, the opportunities of others would be increased.

*From a talk by Mr. Kappel before the North Carolina Citizens Assoc., Raleigh, N. C.

Coughtry Joins Bear, Stearns

Lloyd S. Coughtry has become associated with Bear, Stearns & Co., 1 Wall St., New York City, members of the New York Stock Exchange, as director of research, it was announced.

Lloyd S. Coughtry

Mr. Coughtry was formerly Vice-President of The Lehman Corp., a closed-end investment company.

Aymes in N. Y. C.

E. B. Aymes, Inc. is now conducting its investment business from offices at 1650 Broadway, New York City.

Form Bartman & Rosenblatt

BROOKLYN, N. Y.—Bartman & Rosenblatt has been formed with offices at 2845 Fulton Street to engage in a securities business. Partners are Abraham Bartman and Isidore Rosenblatt.

Connecticut Brevities

Underwood Corporation of Hartford, manufacturer of typewriters and other business machines, staged a three day exhibit in Washington, D. C. recently for members of the diplomatic corp., government officials and commercial interests. About 18 different models of 75 machines were shown at the Sheraton Carlton Hotel. Mr. Ugo Galassi, President of Underwood, when interviewed at the exhibit, forecast that the company may launch another expansion program in Hartford in a year's time.

* * *

Kaman Aircraft Corporation of Bloomfield will work with Grumman Aircraft Engineering Corporation on the design of a Vertical Take-Off and Landing (VTOL) plane for the Army, Navy and Air Force. The VTOL would combine the ability of a helicopter to rise straight up on take-off and that of a conventional airplane to fly at high speeds in level flight. Kaman would contribute propellers, shafts and gear boxes and Grumman would build the remainder of the plane. Kaman, which produces helicopters, is the manufacturer of the H-43B turbine aircraft which was responsible for rescuing all five survivors of the bomber inadvertently shot down April 7 over New Mexico. Two H-43Bs flew in where other helicopters had been unable to operate, facing winds up to 70 miles an hour, freezing rain and altitudes of 9,000 feet.

* * *

Emhart Manufacturing Company of Hartford has put a scale model of its new headquarters and research center on view. In many respects the building is unique in architecture, the company maintains. It is designed so that it will appear to float over its hilltop site in Bloomfield with open parking space for about 300 cars under the raised administration area. The research facility, set down within the main structure, rests on the ground and is, in effect, a separate building, much of it two stores high, with space between its walls and those of the administration area. Construction of the building, which will be air conditioned, will begin this spring and is expected to be completed in the fall of 1962.

* * *

Reflectone Electronics, Inc., Stamford based manufacturer of electronic training systems and components, unveiled its new Bankograph machine on April 11. Using the Bankograph, bank customers will be able to make deposits of currency, coin and checks and automatically get back a receipt furnishing proof of the deposit. A customer inserts a deposit slip and a duplicate with his deposit and presses a button. A validated deposit slip is returned to him and a microfilm record is made by the machine, insuring the accuracy of the transaction. The deposit is packaged automatically and goes into a vault compartment until a bank employee, whom must identify himself to the machine, opens the vault. Marketing of the Bankograph is awaiting acquisition of Reflectone Electronics by Universal Match Corporation under a merger now pending.

Heublein, Inc. of Hartford is doubling advertising appropriations in the current campaign for its new line of bottled cocktails. In the first eight months this new line was offered, sales increased to 153,000 cases of bottled cocktails from 107,000 in the year earlier period. The new campaign will stress the economy theme of Heublein's product and, in addition, four other basic appeals will be made to the buying public: taste, quality, convenience and status.

* * *

Pratt & Whitney Aircraft of East Hartford, a division of United Aircraft Corporation, will shortly begin test cell runs of the engine designed to power the Boeing 727 jet transport plane. Production models of the engine, designated the JT8D Turbofan, are scheduled for delivery to Boeing in the early months of 1963. Three airlines have, to date, ordered 92 of the jet transport planes: Eastern Air Lines, United Air Lines and Lufthansa German Airlines. Other developments at Pratt & Whitney Aircraft include bidding by the company on a contract to develop a nuclear engine for rocket propulsion. The project is under the sponsorship of the National Aeronautics and Space Administration and the Atomic Energy Commission. It is believed that a nuclear rocket engine would be valuable for trips from an earth satellite to other planets. For even though less powerful than existing chemical rocket engines, the nuclear rocket engine would be able to deliver power for a longer period of time.

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Mutual Insurance Company of Hartford, primarily a fire insurance company, has announced its intention of entering the automobile underwriting business with the organization of a casualty insurance company. A name has not yet been chosen for the company which initially will limit its business to the private passenger car field, but a charter has been filed in Maryland and the new business is expected to be launched in Connecticut later this year. The casualty company will be a wholly-owned stock subsidiary of Mutual of Hartford, financed with assets segregated from the parent company's holdings and headquartered in Hartford. Mutual of Hartford's President, John Alsop said he believes that this is the first time a Connecticut mutual insurance company has gone into the casualty business other than the home-owners' field and added that it was a big step for his company.

D. W. Kong Opens

HONOLULU, Hawaii—D. W. Kong is engaging in a securities business from offices at 5357 Manauwea Street.

Kroeze McLarty Duddleston

JACKSON, Miss.—The firm name of Kroeze, McLarty and Company, Deposit Guaranty Bank Building, members of the Philadelphia-Baltimore Stock Exchange, has been changed to Kroeze, McLarty & Duddleston.

The Extensive Market in Foreign Currency Deposits

By Paul Einzig

Our effort, and those by European countries, to interfere with free market interest rates are held to be unworkable or futile, or both, by a knowledgeable expert who knows full well the inner workings of international short-term capital flows. Dr. Einzig explains how restrictions to discourage the influx of unwarranted foreign funds are being circumvented and how this makes currencies and exchanges vulnerable to selling pressures. He criticizes our proposed measures as "amazingly inadequate," warns pressure against the dollar is bound to develop, and advises we mitigate or remove this possibility while the going is good.

LONDON, Eng.—During the last few months the market in "Euro-dollars"—dollar deposits owned by Europeans and given in deposit temporary with British or continental banks—received a fair amount of publicity so that its existence is now widely realized. It is not so widely known, on the other hand, that similar markets exist also in other currencies, especially in sterling, Swiss francs and D. Marks. It is possible nowadays to obtain in continental financial centers a higher interest rate on sterling deposits than that paid by British banks, just as it is possible to obtain a higher interest rate on dollar deposit than that paid by American banks. Likewise, while Swiss and West German banks are precluded from paying interest on foreign deposits, non-Swiss and non-German holders of Swiss francs or D. marks are in a position to obtain a reasonable deposit rate on such deposits outside Switzerland and West Germany respectively.

This state of affairs is largely the result of attempts to keep down deposit rates artificially or to prevent altogether the payment of interest on deposits. Foreign holders of deposits who are not given their due by banks in the countries whose currencies they hold have discovered that the measures artificially restricting or preventing the payment of an adequate interest need not apply outside the countries concerned. None of the countries mentioned above are in a position to prevent the payment of a rate of interest determined by supply and demand by banks situated outside their respective territories. The curious thing is not that this fact has now become widely known by depositors but that it took such a long time for them to discover it. In the case of the dollar the development of a market in deposits did not assume appreciable proportions until over 20 years after the imposition of restrictions on deposit rates. In the case of sterling the gentlemen's agreement restricting deposit rates was in operation for some 15 years before a market in sterling deposits developed on a large scale outside Britain.

Unfavorable Consequences

The main significance of this institutional change is three fold.

(1) It discloses the futility of trying to prevent international movements of short-term funds by means of artificially preventing or restricting the payment of deposit rates.

(2) It weakens the control of the monetary authorities over the resources of their domestic money markets.

(3) It increases the extent to which the exchanges concerned are susceptible to pressure through outward arbitrage and speculation.

The object of the Swiss and West German authorities in banning the payment of interest on foreign deposits is to discourage the influx of unwanted foreign funds. Since, however, the ban can be circumvented by re-depositing Swiss franc or D. mark deposits with non-Swiss or non-German banks, the measure is largely ineffective. Why should the non-payment of interest deter anyone from depositing funds with Swiss or West German banks in anticipation of a revaluation of the two currencies if, in addition to the prospects of a capital gain, they can obtain a high yield by re-depositing their Swiss franc or D. marks in London or Paris or Amsterdam?

Billion Euro-dollars Already

The grand total of dollars, sterling, Swiss francs, D. marks etc. deposited outside the countries concerned must run by now into a very substantial figure. Euro-dollars alone are estimated to have long passed the billion dollar mark. These funds are available for being converted temporarily into the national currencies of the banks which acquire such foreign currency deposits by means of swap transactions. They can use these facilities whenever they want to expand credit, or whenever they find their cash position uncomfortably tight. Under the British banking system £1 million of cash secured by means of such swap transactions can serve the basis for some £12 million of additional credit. Such expansion escapes the credit control of the monetary authorities. By acquiring additional foreign currency deposits and swapping them into national currency the banks can defy the efforts of the official monetary policy to keep down the volume of credit. This was actually done last year on a large scale in Japan.

Finally, the development and expansion of the practice of foreign currency deposits has greatly increased the extent to which exchanges are vulnerable. Their use may mean additional selling pressure involving loss of gold. If British banks holding dollar deposits swap them into sterling it means that they sell spot dollars against the purchase of forward dollars. The sale of spot dollars means that in order to hold the spot rate the British authorities have to increase their dollar holdings. Their power to draw on the United States gold reserve increases thereby.

What is even worse, the existence of foreign currency deposits provides additional facilities for speculating against the currencies concerned. Holders of such deposits can sell them outright in the hope of being able to cover at a lower rate when the deposits mature. Such operations become worth while when a widening of forward discount makes speculation by means of forward exchange too costly. It is true, the alternative way of speculation by means of borrowing in the vulnerable currency and selling the spot exchange, has always existed. The extent of such operations is limited, however, either by exchange restrictions or by the unwillingness of banks to lend much for such purposes. If, however, their depositors are in a position to lend the money it increases very considerably the potential limits of such operations.

Although the volume of foreign currency deposits has increased considerably since the beginning of the movement in 1957 the potential extent of the further increase is incalculable. Hitherto, it has been confined to foreign-held deposits. But in countries with no exchange restrictions there is nothing to prevent domestic depositors from offering their deposits in foreign financial centers. This is particularly the case with the United States. There is nothing to prevent a resident in New York from taking advantage of the higher deposit rate offered on dollar deposits in London or in continental financial centers. Should this be done on a really large scale it would greatly increase potential selling pressure on the dollar.

Criticizes U. S. Measures as Inadequate

The obvious remedy lies in terminating artificial interference with deposit rates. Let the rates paid on dollar deposit, sterling deposit rates etc. be determined by market influences. If holders of dollars can get the same interest rates in the United States as they can get abroad they will have no inducement for offering their deposits abroad.

Although the new Washington Administration appears to have realized the importance of the new development the measures it proposes to take against it are amazingly inadequate. American banks are about to be authorized to pay higher interest rates on deposits by foreign Governments or Central Banks. But it is not Governments or Central Banks who offer their dollars in the Euro-dollar market. It is private firms and individuals. So long as American banks are prevented from paying them deposit rates in accordance with supply and demand they will be inclined to offer their deposits where they can get better rates.

It is true, at present the dollar is not under acute pressure. But sooner or later such pressure is bound to develop and by that time the additional pressure resulting from extensive use of Euro-dollar deposits in speculation or arbitrage will be much heavier than it was on the occasion of last year's dollar scare. It is therefore, adviseable to remove or mitigate this source of threat while the going is good.

W. Cluett Named For Bond Club Pres.

W. Scott Cluett of Harriman Ripley & Co., Inc., has been nominated for President of the Bond Club of New York to succeed Raymond D. Stitzer of White, Weld & Co. who has headed the club for the past year. The election will take place at the Bond Club's annual Field Day to be held early in June.

W. Scott Cluett

Nominated to succeed Mr. Cluett as Vice - President is Robert C. Johnson of Kidder, Peabody & Co. The new slate of officers also includes Lee P. Stock, Jr. of Bankers Trust Co. for Secretary and William H. Todd of Kuhn, Loeb & Co. for Treasurer.

For new members of the Board of Governors to serve for three-year terms, the club has nominated Earl K. Bassett of W. E. Hutton & Co., Charles L. Bergmann of R. W. Pressprich & Co., Robert M. Gardiner of Reynolds & Co. and H. Stanley Krusen of Shearson, Hammill & Co.

Bostonian Inv. Securities

WINTHROP, Mass. — Samuel Colsia is now conducting his investment business under the firm name of Bostonian Investment Securities Co. Offices are located at 217 Cliff Avenue.

Problems Facing Canada And Its Investment Dealers

By E. S. Morse, President, The Investment Dealers' Association of Canada; Vice Chairman, W. C. Pitfield & Co. Ltd., Montreal, Canada*

Canadian investment dealers must meet the challenge of providing more funds for domestic investment and of broadening the distributing of Canadian government securities. In making this charge to his colleagues in the industry Mr. Morse is equally severe with the Government in a blunt warning not to jeopardize Canada's international financial reputation. Moreover, Mr. Morse chastises the Government for offering poor savings-leadership to the public and for complicating the task of private financing. The investment banker looks to international financial co-operation to solve the balance-of-payment problem, which he finds not peculiar to Canada.

Judged by significant indicators, the economy in Canada and the U. S. has been gently sagging since about the middle of 1960. At this juncture it seems possible that several leading business indicators have hit bottom, and while it may be a bit premature to say that the recession has turned around, there are some promising signs.

Eric S. Morse

First, exports, stimulated no doubt by very good business in Europe, have been running at a relatively high rate. The strong trade position has no doubt been an important factor in offsetting the seriousness of the business decline.

Secondly, personal disposable income is at a high level and while consumer spending has been a bit uneasy the individual is at least in a position to increase his spending if general confidence returns.

Thirdly, plans for capital spending in 1961 call for outlays of $8.3 billion, which would be an increase of $100 million over 1960 if realized, and not far below the peak of the $8.7 billion of 1957. This is very promising.

Fourthly, inventories are coming into a better position with sales and if an atmosphere of confidence returns, inventory buying could be important in the next business rise.

The question of confidence is all important, particularly in the investment business. It seems quite apparent, certainly from the action of the stock market in the last six weeks, that confidence is present today in a greater degree than it was a year ago. If this confidence which is being shown by investors is picked up to the same extent by the business community and the individual consumers then we should have a reasonably good year in 1961. The generally held view that business will pick up by mid-year seems to have a considerable amount of justification and it does seem even possible that things could turn earlier than is generally anticipated.

There seems little doubt that unemployment is the most serious factor. What is particularly disturbing is that unemployment ran at a relatively high rate even when general business was on the rising turn of its cycle in late 1958 and 1959 and, of course, became worse as the economy turned downward. It has been described as almost a chronic condition, but I do not believe we can allow it to remain so. Labor is a fundamental resource which should be utilized as fully as possible and in realization of this, the Prime Minister called a conference of the leaders of various representative groups, at which the Investment Dealers' Association of Canada was represented, last October to seek solutions to the problem of unemployment. As far as we know, there has not yet been much positive action taken on any of the recommendations then made. I believe the plain fact is that our economic development in recent years has not kept pace with the population growth. Therefore, I look for continued unemployment at something like the present level for some time. In the longer term the problem may well become self-liquidating.

In summary, business slowed down about the middle of 1960, but now in the first quarter of 1961 is showing some signs of bottoming out and looks as if it could start to rise as we proceed further into this year.

This, then, is the business picture as I see it today. I feel we can be optimistic, but at the same time we must remember that several very grave problems which have been widely discussed of late are likely to remain with us even in the upswing of prosperity, and it is important that we should seriously consider them.

Balance of Payments Problem

I am thinking specifically of those series of problems which are concerned with our international balance of payments. These problems are particularly pertinent to our business, and I have made a point of discussing them at every opportunity.

Debate on certain aspects of our international balance of payments was first brought to a high level in this country by the Governor of the Bank of Canada. In a series of speeches, and in his 1959 Annual Report, the Governor discussed in considerable detail the consequences of foreign investment in Canada and foreign borrowing by Canadians and has left the impression that, in his words, "We are living beyond our means," and implied that in developing our country we would be better served if we were to use our own capital resources.

Thus, in a very recent speech to the Economic Club in New York he concluded by saying:

"Leaving aside the seriously under-developed countries, self-development is better for the rounded life and continued vigor of a nation like Canada and will do more to satisfy national aspirations of every kind, than the most ideal kind of purely economic development, if the latter involves perpetuation of large deficits in our balance of payments, continued reliance on endlessly growing foreign debt, and a continuously shrinking area of industry under domestic ownership and control. To achieve our goals we must solve our balance-of-payments problem with the outside world, and especially with the United States, and rely on our own resources, not only material factors but resources of the human mind and spirit, in order to build our own economic future and our own expression of national independence."

As I said before, this topic has been very widely debated in Canada, and many prominent people have taken part, some agreeing with the Governor, some disagreeing and some going along in part, but not all the way.

The Governor has been criticized for not offering concrete solutions, but, regardless of this and also regardless of whether or not we agree with him, I do believe we owe him a debt of gratitude for bringing discussion of the subject to such a high level throughout the country.

As President of the I. D. A. of Canada I felt I should make some contribution to the discussion, and I have been trying to do so. One of the key factors in dealing with the problems which are likely to arise when a country balances its international books in the manner which Canada does now — and this is true whether the problem is one of foreign ownership or of an undesirable premium on its currency, or any of the other related difficulties—is the size and efficient use of domestic savings. Quite obviously the way in which we use our domestic savings will determine how well we will do if we try to "go it alone."

Canadian Savings and Investment

When I assumed office last June I felt that savings was an important if not a key issue, and I made a number of addresses on the subject. Last Fall, during my tour of Western Canada, I said the following and I would like to repeat part of it now because I believe it has a great bearing on this problem—

"Canadian saving habits are comparable to those of other industrialized countries. Going back over a period of 35 years, Canadians have been saving an average of 7% of their disposable income. Since incomes have been rising—they have roughly doubled in this period — Canadians apparently are living at a higher pace since they are saving only the same percentage of their greater incomes. This, of course, we know to be true.

"This means a challenge to our industry since we are the ones who can effectively channel savings to effective use in sound investments. One great concern of ours is that the proper environment for saving and investing be present in our country, and this is an additional reason for our concern with such matters as inflation.

"Additionally, given a proper environment, it is up to us to go out and promote savings and investing and there's plenty of room for new ideas in this direction."

Now, the point I was making last Fall, and the one I should like to stress now, is that the more domestic savings we Investment Dealers can channel effectively into securities, then the less dependent Canada becomes upon foreign sources of capital.

However, let us be realistic about the size of Canadian savings in relation to the job they would be called upon to do.

In the last three years net new issues of Federal, Provincial, municipal and corporate securities have averaged $2.4 billion annually and in that same three-year period net personal savings have averaged only $1.6 billion annually. There is, therefore, an apparent discrepancy between the demand for new capital and the amount of new savings.

Not Saving Enough

When you consider that savings are used not only for new issues, but in other areas of investment as well, and that there will always be some, and probably quite a large amount of money being added to savings deposits, it is quite apparent we are not saving sufficient each year to cover annual demands, and so we have to either dip into accumulated savings or else resort to foreign borrowing. We have been following the latter course and the Governor is urging us to do less of this and use more of our own accumulated savings.

It is my understanding from chartered banks reports of November last that there are almost 80,000 personal savings deposits in chartered banks for amounts of $10,000 and upwards, and of these almost 800 are for amounts of $100,000 or more. It is known these have remained almost static for a considerable period of time. It is these accounts which must somehow or other be drawn out into the capital markets, but in my opinion they are insufficient for all the Government and corporate financing which is required if we are to maintain an adequate standard of Government service, and if our industrial and commercial strength is to grow. The vast bulk of our savings must still be in small accounts, a large percentage are in accounts for amounts less than $100, and this is not the type of capital which is useful as development money.

Challenges Investment Dealers

I do not mean to be negative in approaching this subject, but I do believe we should be realistic. There is a very heavy demand for new capital in this country and while it is certainly up to us to get out and promote investment, and to activate those savings accounts which are useful as investment capital and are now static, I do not believe domestic savings alone are up to the job. Moreover, we should appreciate what a staggering job it would be to find the funds with which to acquire control of even some of the leading Canadian corporations now under foreign ownership even if we had the opportunity to do so. This would be over and above the normal demands for capital which face us every year.

We, as Investment Dealers, must meet the challenge of providing more and more funds at home as borrowers come into the capital markets. We are constantly being pressed by the Bank of Canada to broaden our distribution of Government securities and I confidently believe this we must do, if we are to maintain our Government business and more particularly protect our present spreads. Broadening our markets in other fields in Canada is equally important if we are to continue to strengthen our position as investment dealers. We must labor seriously toward this end.

Let me say, however, that I believe the Government also has a responsibility to show leadership in managing its own accounts.

Lectures the Government

It is indeed a disappointment that the Federal Government, instead of having a small surplus, will be running in the red again this year to the extent of almost $300 million. Reliable students of government finance now believe a considerably larger deficit is in the offing for the new fiscal year. If we can properly describe a Government surplus as saving, this development is not giving the public the proper leadership, and, moreover, is confounding the problem of others who must finance in competition with the central government. I do not believe the Federal Government should, on the one hand, exhort us to live within our means, and on the other hand pursue a continuing program of deficit financing.

Moreover, I strongly believe that the Government would be unwise to take action which would prejudice our position in foreign capital markets. Policies which follow a purely nationalistic line have a tendency to react on the country which institutes them and it would be most unfortunate for the future development of this country if we took action today which damaged our international investment position. Investors in other countries have held Canada high in their esteem and few countries have enjoyed as good an investment rating as ours.

International Financial Reputation

Much has been said in the press, both in the U. S. and Canada, about the Baby Budget and the views of the Governor of the Bank of Canada have been widely quoted in a number of countries. Time alone will tell whether or not we have, to any degree, damaged our financial relations with foreign investors, but it is certainly to be hoped that we have not.

If Canada ever got the reputation of a country that is likely to change the rules after the game has started, then we would find it a good deal more costly and time-consuming to develop this country and to provide the high level of Government services that are required.

Canada is not the only country with a balance-of-payments problem and I believe much more could be accomplished if we took the lead to work in co-operation with non-Communist countries in solving mutual problems. We should follow the rules of good international behavior in all our policies, and in no field is this more important than in international investment.

If we adopt measures today which discriminate against foreign investors, or unduly restrict the flow of trade between Canada and the rest of the world, it seems to me that Canada's world prestige and position at any international bargaining table is weakened and that Canada leaves herself wide open to retaliation by other countries. Since Canada is a small country, but one with an important stake in world trade, we are vulnerable to retaliation and stand to lose a great deal. The advantages to be gained by purely nationalistic policies are not, surely, of a long-term nature.

International Financial Cooperation

Of far greater value would be a course in which Canada took the lead in getting the non-Communist nations to co-operate in solving balance - of - payments problems through international institutions. There has been considerable talk of making greater use of the International Monetary Fund and of making it a world central bank, and I understand that this and other proposals are under consideration by the Kennedy administration in the U. S., and are the subject of discussion by the finance ministers of the six countries forming the common market.

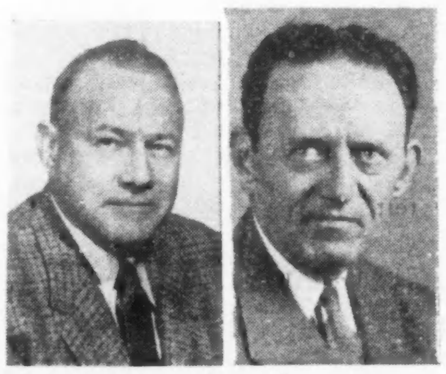
My intention is not to discuss details of what moves are possible, but rather to stress that this country should be looking to solutions of this nature in the international sphere and should not adopt restrictive, nationalistic measures. In this day and age, with all the dangers apparent in world affairs, it is essential that we work and co-operate with other countries, try to understand their problems and their points of view, and if we do this we are more likely to arrive at lasting solutions to our own difficulties. Canada has a respected place in the world community of nations and is in a position to take the lead on matters of this kind where we have an opportunity to help others and to serve ourselves as well.

In summary then, I feel that Canada must face real and difficult problems because we have, for some time, been importing capital either through foreign borrowing or from foreigners investing in Canada, at a heavy rate, and we have been, in effect, balancing a deficit on current account by means of a surplus on capital account. These and other difficulties confront us, but we should not let them dismay us, nor should we permit them to panic us into selfish actions which promise near term relief but carry no lasting benefits. We should do all that is humanly possible to increase the use of domestic savings and to stimulate people to save more. Also, I believe we should look for long-term solutions to our balance-of-payments difficulties by working in goodwill with other nations to settle problems which are common to all.

*From a talk by Mr. Morse to the Montreal Member of the Investment Dealers' Association of Canada, Montreal.

Barron McCulloch Admits Partners

FT. WORTH, Texas—Barron McCulloch has admitted John S. McClane, Till Petrocchi and Dennis



Barron McCulloch John S. McClane

O'Brien to partnership in Barron McCulloch & Company, Continental Life Building.

Mr. McCulloch began his investment career in Fort Worth in 1932, opening his own firm in 1941.

Mr. McClane who joined Mr. McCulloch in 1947 is Manager of the sales and trading departments. He began his career with the old Henry L. Doherty & Company and the associated Cities Service Company. He is Vice-President of the Fort Worth Securities Dealers Association.

Mr. Petrocchi was formerly Manager of the Fort Worth office of Eppler, Guerin & Turner. Prior thereto he was with Harris, Upham & Co. in Boston.

Mr. O'Brien was formerly manager of the local office of Southern Brokerage Co.

Also with the firm are Helene Prater, Adele Bruton, and R. Robert Hewitt.

Chicago Inv. Women Dinner Meeting

CHICAGO, Ill. — "The Bosses" will be saluted at the meeting of the Investment Women of Chicago on April 26, 1961, when the members are inviting their employers to be special guests at a 6:00 o'clock dinner at the Chicago Bar Association — Main Dining Room on the 12th Floor.

Cocktails from 5:15 on will precede the dinner.

The guest speaker will be Mr. Robert C. Liebenow, President of the Chicago Board of Trade, whose title will be "Farm Legislation—Past and Present."

Edward Duffy to Admit

Edward J. Duffy & Co., 11 Broadway, New York City, members of the New York Stock Exchange, on May 1 will admit Stephen S. Feehan to partnership.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

President Kennedy is being pictured by his intimates as far more radical than his domestic program indicates but is being restrained by what he considers to be the basic conservatism of the country. He is said to feel that the country is complacent and that only a catastrophe would shake it out.

This feeling is part of the reason for the kind of domestic program he has sent to Congress. Nevertheless, Republicans would hardly agree that it is a conservative program calling as it does for a $2 billion deficit budget.

To many of the President's friends, his program has been trimmed to fit the Congressional wind. It is a fact that it is a more conservative program than many people expected. But the real reason for its moderation is deeper than the current temper of the Congress. It goes back to what he considers is the attitude of the American people.

That Mr. Kennedy would like to go farther is evident from his frequent descriptions of what should be the national objectives and the national mood. Most notable was his inaugural plea to his fellow Americans. "Ask not what your country will do for you — ask what you can do for your country."

Mr. Kennedy reasons this way:

In the periods of nearly a century since the end of the Civil War only five Democrats have been elected to the Presidency as compared with 11 Republicans. Even more important, four of those Democrats barely won elections where almost all the Republicans won big victories.

Except for Franklin D. Roosevelt who won either overwhelmingly or handily four times, every Democratic winner has been elected with a minority of the popular vote. Grover Cleveland and Woodrow Wilson each on two occasions and Harry S. Truman and Mr. Kennedy himself once each.

From these facts Mr. Kennedy reasons that the United States, except in dire times, is essentially a conservative, even complacent nation.

Today there certainly is no dire times. As Mr. Kennedy put it at his last press conference, even with 7% unemployed there still is a massive 93% at work.

But even if the Democratic Presidential margins such as Mr. Kennedy's own last November show no mandate for more liberal or radical economic programs, what about the big Democratic majorities in Congress? Especially the Democratic majorities since New Deal Days which have persisted for the most part through two Eisenhower administrations.

These, Mr. Kennedy feels are illusory because they are due to the Southern Democratic conservatives who provide the difference between a minority and a majority party. The arithmetic of Congress, of course, bears this out.

Furthermore, it is Mr. Kennedy's feeling that the eight years of Eisenhower added to the feeling of complacency. Mr. Kennedy made much of this during the campaign but the close result gave him no reason to think he had shaken the nation to its roots.

Mr. Kennedy does feel that the big response to his Peace Corps proposal shows that there is abroad in the land a considerable desire to "do something." Yet this appears to relate more to the foreign threat than a desire for domestic reform.

The President feels also that the American people are willing to sacrifice if they believe everybody else is being asked to do the same. But again this more often applies to the foreign emergencies, as in the case of price-wage controls. The President, for example, knows it will be far more difficult to hold the line in the forthcoming automobile negotiations on both wages and prices.

Barring a foreign emergency then, the President's actions on domestic programs are and will be motivated by his belief about the attitude of the American public.

Form MLW Securities

KEW GARDENS, N. Y. — MLW Securities Corporation has been formed with offices at 135-24 Hoover Avenue to engage in a securities business. Officers are Marvin Weinstock, President and Treasurer, Abe Weinstock, Vice-President, and Mollie Weinstock, Secretary. Mr. Weinstock was formerly with Gruntal & Co. and Dreyfus & Co.

The Disturbing Facts Of Our Export Position

By Emile Benoit,* *Associate Professor of International Business, Graduate School of Business, Columbia University, N. Y. C.*

European competition is viewed as a serious matter by Professor Benoit whose research uncovers some startling evidence of our competitive decline. What counts, says the writer, is the price of our manufactured goods and not our general price level. Culprits are said to be our productivity, restrictive fiscal and credit policy, investment tax policy, and lack of Congressional concern about our economic growth rate. Discussion concludes with suggested formula as to how England and the Outer-Seven may be admitted into the E.C.M. The impact of this European integration on our trade is not viewed forebodingly providing we can meet the new European competition.

I do not know why anyone should be surprised by the German revaluation. I started to buy German bonds in 1959: it seemed clear that the U. S. competitive situation had so deteriorated that some currency readjustments were inevitable. I am surprised only that the revaluation is by so small an amount. I doubt that this is the end of the story, or that we are really out of the woods. After all, it's not only Germany that we have to worry about. Italian gold and dollar reserves are higher in relation to trade than Germany's. Industrial production in Italy and France has been growing about as fast as in Germany (which is about four times as fast as in the U. S.). and their industrial costs have been held down even better than in Germany. And all this has been accomplished *before* the benefits of European integration really could be felt. We have not seen anything yet. I predict we will be seeing competition from Europe after a while that will make our back teeth rattle.

Emile Benoit

These and other matters are covered in my book, *Europe at Sixes and Sevens: The Common Market, The Free Trade Area and the U. S.*, which is being published by the Columbia University Press, and will be out in a couple of months. This gives the background on the two rival European trade blocs and presents a proposal for healing the split. It documents and explains the weakening in the competitive position of the U. S.; it gives some idea of the competitive challenge of European integration to U. S. trade, and the new opportunities this will create for U. S. foreign investment.

Now, I obviously can't cover all this ground in this brief paper. I can just sketch out a few key points.

Perhaps the most interesting part of the research I have been doing is the survey I made of the competitive experience of our 500 largest industrial corporations. I found that over 40% of the companies I studied had lost part of their export markets since 1953. Most of them were not too worried. Why? Because over two-thirds of these had more than made up any loss in profits on exports by additional investment earnings or royalties from foreign affiliates or licensees. Significantly, in three out of four cases, they had lost the foreign business to their own foreign affiliates or licensees or to other American companies.

Our Export Prices

But the crucial question I asked of these companies is how they explained their export losses. I think the answers were very significant because many economists, labor unions, and politicians have been denying that U. S. goods have become less competitive. Well, the Presidents, Vice-Presidents and Comptrollers of our largest companies, who answered my questionnaire, did not agree with them. Four out of five of them thought the main explanation for the loss of U. S. export markets was that foreign products had become more competitive in price. Others pointed out that European producers already had a price advantage in 1953 but were not able to exploit this advantage fully until they had raised production enough to take care of the home market adequately and go into exports in a big way. Other factors emphasized in the explanations of decline of U. S. export shares were the fact that foreign producers supplied better or more flexible terms of export credit or terms of sale, that they had improved the quality or design (and thereby reduced the "quality gap"), or generally approached exports more seriously than U. S. firms. A good number of our respondents reported first-hand information on serious weaknesses in U. S. export performance, such as: inability or unwillingness to match credit terms offered by foreign competitors; inadequate personal contacts with foreign distributors or customers; delays in answering orders or requests for information; inadequate foreign advertising and publicity; failure to supply essential information in the local language; failure to make minor adaptations of the product to meet local requirements; and failure to fill export orders correctly or on time. Over 95% of the respondents felt that there had been a progressive deterioration of American competitiveness requiring renewed efforts to hold down U. S. costs and step-up the U. S. export drive.

I must say that my own statistical research backs up the view of these business leaders 100%. There has been a lot of superficial analysis of this from the government, labor leaders and others (some of whom should be better informed). One often hears the comment that our general price level has not risen more than in Europe. But the general price level is irrelevant. Agricultural prices for example, are purely artificial, and don't determine our exports: we give away a quarter of our agricultural exports. What counts is the price of the manufactured goods we export against world competition. When you look at *these* figures you get a very different impression.

Between 1953 and 1959, our exports of finished manufactures rose 9%, and of semi-finished goods, 17%. Meanwhile, exports of manufactures rose 22% in the U. K., 70% in France, and 133% in Germany. Now look at the price comparisons. Our export prices of finished manufactures rose 16% (and of semi-finished goods rose 14%), while the export prices of British manufactures rose only 10%, and of German manufactures only 5%. The price of French manufactures actually declined 5% if quoted in dollars —as a result of devaluations. Wholesale prices show about the same pattern. U. S. prices of manufactures rose 20-24%, U. K. prices 12%, German prices 5%, and French prices declined 10-15% if figured in dollars.

Disturbing Trend

This of course shows only a *relative* deterioration since 1953. How about absolute prices? Are our prices absolutely higher or lower, and has there been any change in this since 1953? Obviously we are still the low-cost producer on a lot of items. Nevertheless, the trend is disturbing. On most of the commodities on which I have been able to get specific price comparisons, I find that the U. S. was producing and selling cheaper than its chief European competitors in 1953, but that it lost this price advantage by 1959. Steel is the most striking example: thus in 1953 the U. S. was selling structural shapes of high-grade Bessemer steel at an average price of $87 per metric ton, compared to $98 in Germany, $97 in France, $107 in Belgium, and $122 in Italy. By 1958 we were selling the same steel for $121 per metric ton, compared to comparable British steel at $121, German steel at $111, Belgian steel at $122, French steel at $113, and Italian steel at $120.

Taking a sample of highly fabricated producer's equipment (machine tools and machinery) I found that, for example, German prices were 17% higher than U. S. prices in 1953, but no higher in 1959; Italian prices were 26% higher in 1953, but 3% lower in 1959; French prices were 23% higher in 1953, but 12% lower in 1959 (if quoted in dollars), etc.

Another revealing indication is this. About half the industrial loans from the World Bank in 1953-54 were used to buy U. S. equipment. By 1958-59, this proportion dropped to about 30%. There is also a lot of significance, I think, in the fact that U. S. firms are turning, in ever increasing numbers, to buy foreign-made components and models to import into the U. S. This list includes Ford, General Motors, Chrysler, International Harvester, Remington-Rand, Royal McBee, Burroughs, Singer, Bell & Howell, General Foods, American Machine & Foundry, U. S. Industries, Baldwin - Lima - Hamilton, and scores of others.

Slower Productivity Gain

How can we explain this loss of U. S. price competitiveness? Obviously there are a number of factors at work. But the biggest single factor emerging from my analysis is the slow growth of American industrial productivity. I estimate that U. S. industrial output per man hour rose only 13% between 1953 and 1959. This was lower than in any of the advanced countries of Europe. It compares, for example, with 22% in Sweden, 23% in the U. K., 38% in Belgium, 44% in Germany, 46% in Italy, and 48% in France. Meanwhile our wages kept rising (by 25%) and far outstripped our productivity growth, thereby raising unit cost. Wages rose fast in Europe too, but in several countries they had enough productivity growth to hold costs more or less in line. Thus, while our unit labor costs (after discounting for productivity increases) rose about 12%, those of France, Belgium and Italy actually declined, and those of Germany rose only 7%. These statistical comparisons are, I admit, pretty rough, because the data are not entirely comparable — but they do suggest that our costs *have* been rising relatively to those of our chief competitors. This checks with a great deal of our actual experience.

Blames Restrictive Credit Policy

When we ask *why* our productivity has been rising so slowly, I think I have a pretty good idea, although I can't say I have a rigorous proof. Basically the answer seems to be this. In our fear of inflation and national debt, we have been applying over-restrictive fiscal policies which have been restraining our rate of industrial growth and resulting in an ability to use our industrial plant to capacity. We have been running our plants at an average of 15 to 20% below full capacity, and under these conditions it is impossible to achieve lowest unit cost: shorter runs, and a single instead of double or triple-shift operation means that overhead costs stay high.

Moreover, there is less incentive to install new and improved plants. Our restrictive fiscal policy is illustrated by the fact between 1953 and 1959, Federal expenditure for goods and services declined from 16% to 11% of national output, and in 1956 and 1957 we achieved a whopping cash surplus of $6.7 billion. This is a figure seldom mentioned, but it had an enormous deflationary effect. After the last quarter of 1955 there was no significant growth in industrial output for three whole years. We started moving up only in 1959. Then, once again in 1960, we had the wind taken out of our sails by a cash surplus in the Federal Budget of $3.6 billion. (I'll bet not too many ever heard of these figures either!)

Politicians with no knowledge of modern economics ignore these facts, but the nation as a whole has to pay for their ignorance. These characters naively imagine that it is a great thing for the government to run a surplus, never realizing that what is a surplus for the government is a deficit in spending power for the rest of the economy: what it means, after all, is that the government has taxed away more purchasing power from business and consumers than it has given back to them.

I frankly am worried about the lack of a sense of urgency in Congress in backing the President's attempt to raise our growth rate. Compared to this, all the social legislation, foreign aid and almost all the other things that Congress likes to squabble about, are trivial and inconsequential. If we can get industrial expansion started, and get our costs down, then we can afford to pamper ourselves and help others. If we don't, then we are living in a fool's paradise, and our balance of payments and our position in the world will surely decline.

Questions Our Export Surplus' Permanency

The real dangers of the situation are somewhat obscured by the fact that we achieved about $4.6 billion surplus on trade in 1960, and are still running at about that rate. This figure may be highly misleading, however, unless you bear in mind that in 1960 we have been suffering from a recession, which brought about a small decline in our imports (of about 3%), whereas the raging boom in Europe has created an abnormal and temporary market for our exports, which have risen by perhaps 22%. For example we have found no difficulty in selling lots of quite non-competitive steel and steel products simply because European plants couldn't make delivery. As European demand is moderated (especially in the U. K.) and as European industrial capacity increases, markets like these will dry up. That's why it's so important that we use this breathing spell to modernize our equipment, raise our rate of operation and lower our unit cost.

Sees U. K. in E. C. M.

Let's look more specifically at the effects of European integration. I have always felt that sooner or later the U. K. ought to and probably would join the common market, and that the Free Trade Association of the

"Outer Seven" was basically a bargaining maneuver intended to strengthen the U. K.'s position in refusing to join without special concessions. At the present moment, this hope of union looks a lot closer. Within the last fortnight, the U. K. has gone on record as accepting in principle the common external tariff, and common economic institutions. This is an enormous step forward. It is still trying to achieve the logically impossible by holding on to the "Outer Seven" and Commonwealth preference at the same time. But it has moved a long way; and I think the next move is really up to the Common Market.

In my book, I introduced a formula which would enable the U. K., Norway and Denmark to join the Common Market as full members, but permit neutral countries of the "Outer Seven"—Switzerland, Sweden and Austria—to join the Common Market as special associates on a temporary basis, with a "neutral" status, implying no commitment to the principle of political unification. Britain's obligation to her Commonwealth partners would be taken care of by what I call "no injury" guarantees on the part of the Common Market, which would assure commonwealth exporters that their total exports to Europe (including both the U. K. *and* the Common Market) would not be reduced by the new arrangement. (They would be offered tariff quotas sufficient to restore past levels of exports to Europe, if the new tariffs cut back their trade!) A similar guarantee would in fact be extended to all outsiders, and GATT would be in charge of adjudicating and applying this formula.

One advantage of such a formula is that it would help to protect the U. S. trade position as well, in case the new European tariff arrangements should cause a "positive" injury to U. S. exports there.

Effect on U. S. A. Trade

I have tried to compute how much U. S. trade might fall victim to trade diversion from the new tariffs. I don't have enough confidence in these estimates to quote them . . . I will merely say that the amounts are appreciable though not large, and that the effects will be a lot more severe if the two blocs join together than if they remain separate. I think, moreover, there will be a considerable offset in what I call "counter-diversion." As an example, when German producers increasingly supply the needs of France and their Common Market partners, they will be unable to supply certain other markets, e. g., in Canada and Brazil, that they otherwise would have preempted, thereby leaving more opportunity for U. S. exports to redirect to those markets the exports they have lost in European markets.

Actually, I think the potential losses from trade diversion have been overemphasized in discussions about the Common Market. Incidentally, the first two years of the operation of the Common Market showed a large expansion of trade, not only among the members, but also with the outside world. While imports from fellow members increased fastest, the rise in imports from the U. S., from the "Outer Seven," and from other countries was also substantial. Actually, trade diversion is, I think, far less important than the growth effect and the competitive effect. The chief effect of integration, as I envision it, is a big pickup in industrial growth, and efficiency, leading to far larger markets in Europe and a higher degree of efficiency and competitiveness.

Is this good or bad for us? I'd say it's good *if* we can meet the competition. The expansion of European demand will create rapidly growing markets for a lot of things, particularly middle-income, mass-consumption, comfort goods that we are particularly good at making and selling. If we can only get and stay competitive we should flourish in such markets. Whether we do, depends in large part on whether the government adopts intelligent fiscal policies, that give us a rapidly expanding economic base at home, within which cost reductions are really achievable. (We badly need, for example, tax incentives to modernize our machinery.) But it also depends on whether the exporting community really rises to the challenge of selling the goods, and giving the customer the solid values, in service as well as goods that he must have if he is to remain our customer rather than another's. If export markets are viewed as expendable — of interest only in domestic recessions—we won't be able to hang on to them. Only if export markets are taken just as seriously as the domestic markets, and if firms allocate to them their best personnel—with corresponding standards of remuneration—as is standard practice in European companies—can we face our export future with real confidence.

*An address by Professor Benoit before the World Trade Club of New York, New York City

Boston Banks Consolidate

BOSTON, Mass.—State Street Bank and Trust Company and The Rockland-Atlas National Bank of Boston began operating as one institution April 17, following receipt of consolidation approval from appropriate state and Federal regulatory authorities. The consolidated bank is operating under the name of State Street Bank and Trust Company.

William D. Ireland H. F. Hagemann, Jr.

The approval joined the two institutions into the second largest bank in New England with total capital funds in excess of $55,000,000 and more than $500,000,000 in total resources. So far as practical, all 1,850 employees will have the same titles, duties and seniorities as they held previously.

Edward L. Bigelow, now Chairman of the Board of State Street Bank and Trust Company, continues as Chairman. William D. Ireland, formerly President of State Street Bank and Trust Company, is Chairman of the Executive Committee, and H. Frederick Hagemann, Jr., formerly President of The Rockland-Atlas National Bank of Boston, is President of the combined banks. For six months, Mr. Ireland will be chief executive officer, and after that Mr. Hagemann will be the chief executive officer. The bank operates 14 offices throughout Boston.

The combined bank will have a board of directors of 25, as limited by law, and, in addition, will have a directors' advisory board of 21 members.

M. H. Tappan III Opens

(Special to THE FINANCIAL CHRONICLE)

PALO ALTO, Calif.—Melrose H. Tappan, III, is conducting a securities business from offices at 467 Hamilton Street.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets, with a fair amount of activity, appear to be working on a pattern which might be followed for a period of time, in the opinion of some money market experts. They believe that short-term interest rates could decline slightly but not enough to cause a repetition of the transfer of the so-called "hot funds" from here to other free world money centers. On the other hand, it would not be a surprise to followers of the capital markets if there were a modest softening in rates for the long-term borrowing of funds.

It is evident that both money market and capital market conditions are favorable and are likely to continue that way for the foreseeable future. As against this, there is the strong demand for common stocks, largely because of the inflation psychology and the belief that a boom is in the making. These kinds of conditions are not exactly conducive to the purchase of fixed income bearing obligations and seem to be the main reasons for the somewhat uncertain conditions which are prevailing in the bond market.

Lower Discount Rate Seems Likely

The feeling seems to be growing among money market specialists that a reduction in the Central Bank rate would not be too much of a surprise, as far as they are concerned. It is being pointed out that short-term rates are well under the discount rate and the latter rate has not been a penalty rate here for a long time. Also, the betterment in the international monetary situation, especially with reference to the gold situation and the position of the dollar, appears to augur well for some modest decrease in short-term interest rates. In addition, the boom which has been in full swing in Europe appears to be slowing down with the possible exception of West Germany. This probably means that interest rates in most of the free nations are likely to move down a bit. This would not be unfavorable as far as rates in this country are concerned particularly in the near-term sector.

Anticipating an Advance Refunding Offer

The intermediate-term issues in the Government list, according to advices are still being put away in portfolios of investors who are interested, not only in the return which is available in these securities, but also in the probability that an exchange offer will be coming along for certain of these obligations some time in the future. These purchases of the middle term issues have not been confined to any particular group of buyers but it does appear as though some of the out-of-town commercial banks have been among the more prominent takers of these securities.

Again, it is evident that the World War II $2\frac{1}{2}$s have been the leading issues which the intermediate-term maturity investors have been picking up, although there is not an unimportant interest in the other issues in this maturity range.

Corporate Bonds Still Favored

The long-term area of the Government market, although on the quiet side as far as the private purchases of these issues are concerned, appears to have been active in a modest way because of commitments which are being made for state and Federal accounts. There are indications that the long-term $3\frac{1}{2}$% Government bonds are being bought in a fairly sizable way by those who are handling the purchases of securities for city and state pension funds. The Federal Government is also reportedly buyers of selected long-term bonds for agency accounts.

As against the purchases of the distant maturities of Governments, the commitments which non-Federal pension funds are making in corporate bonds and common stocks are much more substantial. It is reported that recent offerings of corporate bonds have been well taken by these funds and there are indications that this trend will continue. The better tone to the capital market is bringing in more new bonds for sale to investors. The return on these non-Federal new issues still makes them more attractive than the Government long-term securities.

Will Reserve Switch Buying Policy?

With the opinions increasing in numbers at least that the business recovery is now under way, there is more than a passing amount of discussion going on in the money and capital markets as to when the Federal Reserve Board is likely to return to the "bills only" policy. In some cases it is taken for granted that as soon as the economic pattern takes on a more healthy appearance, the powers that be will abandon the over-all pattern of open market operations. On the other hand, there are those who believe that the current policy with its greater flexibility will be with us for a long time.

Hackett & Co. Formed

BURLINGTON, Vt.—Hackett and Company Inc. is engaging in a securities business from offices at 109 South Winooski Avenue. Luther C. Hackett is President and Treasurer of the firm. Luther F. Hackett is Vice-President and Secretary.

AS WE SEE IT

Continued from page 1

distributed among the people at large. The question is how do we make the so-called free economy work to the best advantage to all. Here it is that we begin to find widely differing views among the men and women of any land—the more widely differing in recent years by reason of the ferment that has been taking place virtually the world over and also because of the infiltration of ideas from the followers of Karl Marx.

It was long accepted in this country and in a number of others too, that the way to maximize economic welfare is to make sure that each individual, so long as he does not infringe upon equal rights of others, is perfectly free to pursue his business as he sees best and that each individual is in the end rewarded by natural forces in amounts equal to his contribution to the general public welfare — economic welfare, that is. This, of course, is the essence of the doctrine of Adam Smith usually labeled *laissez-faire*. It is still our belief that we can progress faster and with greater justice to all by following these principles in our public policy and our legislative output. In other words, we shall come quickest to the economic goals we all have in mind by enacting only those laws which are necessary to protect one citizen from others who may not always remember to avoid acts which are not worthy of such a society.

Strange Doctrines

The trouble today is that drastically different, even contradictory, doctrines have been introduced by alien elements and have been dressed up to make it appear that there is some short cut to economic millenium. One of these doctrines glorifies the state until it is endowed with powers and ability far beyond those of the citizens who compose it. The trend had long been in evidence in one degree or another before the birth of the New Deal. It was the trend of the times, the hardships of the Great Depression and the persuasive personality of Franklin Roosevelt which took us far away from our moorings, and thus badly adrift.

It is extremely unfortunate that all of those who officially or unofficially are seeking better things for this country and for the free world so largely confine their attention to what they think the state can do and, according to them, ought to do for the individual. Their sole attention is devoted to seeking out from among the nostrums and arbitrary procedures now so often proposed those which they think would come nearest to bringing an economic millenium. Unfortunately it is not difficult to present such programs and such ideas in a way to give the unthinking the impression that there is an easy way to economic heaven — the largest contribution to be made by those who have already accumulated considerable wealth or who now enjoy larger incomes.

If any one wants to know what our "goal" should be or what we most need in the field of economics, the answer is simple. It is a return to the faith and practices of our fathers—and an abandonment of all this newfangled nonsense about finding ways and means of enabling the state to do for us what we have always expected to do for ourselves and can do for ourselves a great deal better than can the state. No "task force" is required to reach a conclusion of this sort although much more than a task force may be required to persuade the rank and file and the politicians that such is the best way to proceed. The voters of today, and a very large proportion of the men of influence with them, came upon the scene after much of the solid doctrines of our fathers had been at least half rejected and have lived most of their adult lives in a milieu in which the teachings of Franklin Roosevelt and his followers had become the accepted public policy.

How to Do It

We said at an earlier point in this discussion that the real problem of the day was one of determining the means by which generally accepted goals could be most effectively reached. Possibly we should have said that the greatest problem of the day is to persuade the rank and file to accept the truth about the best means for that purpose. Of course, it is useless to rail at politicians for refusing to do what the vast majority of their political supporters back home think they should not do. Yet somehow, somewhere, we must find ways and means of educating both the rank and file of the voters of the land and those who represent them at Washington that a new start is needed in the direction of public policy in this country. Until a way is found to do some such thing we shall not make great headway on the way to the best that is in us, economically speaking.

With Lind, Somers

(Special to The Financial Chronicle)

PORTLAND, Ore.—Louis Berelson has become connected with Lind, Somers & Co., U. S. National Bank Building. He was formerly with Camp & Co.

Lloyd W. Hammer With Quinn Co.

(Special to The Financial Chronicle)

DENVER, Colo.—Lloyd W. Hammer has become associated with Quinn & Co., American National Bank Building. Mr. Hammer was formerly with Lowell, Murphy & Co. in the research department and prior thereto was an officer of Amos C. Sudler & Co. Mr. Hammer in the past was manager of the trading department for Coughlin & Co.

Lloyd W. Hammer

Rodetsky Firm to Form Corp.

JERSEY CITY, N. J.—Rodetsky, Kleinzahler, Walker & Co., 26 Journal Square, members of the New York Stock Exchange, will continue its investment business as a corporation effective April 27.

Officers will be Bernard Rodetsky, President; John Y. G. Walker, member of the Exchange, and Sidney Feinberg, Vice-Presidents; Marvin Kleinzahler, Secretary, and Raymond Kaplan, Treasurer.

Dreyfus & Co. To Admit Bligh

On May 1st Dreyfus & Co., 2 Broadway, New York City, members of the New York Stock Exchange, will admit Thomas P. Bligh to partnership.

Malon Andrus Names Officers

Malon S. Andrus Incorporated, 70 Pine St., New York City, announce the election of the following officers: John G. Beutel, Vice-President; Sal Malfitano, Assistant Treasurer; and John M. Bennett and Theodore W. Edgard, Assistant Secretaries.

Now With Peters, Writer

(Special to The Financial Chronicle)

DENVER, Colo. — Robert F. Conklin has joined the staff of Peters, Writer & Christensen, Inc., 724 Seventeenth Street. He was formerly with Bosworth, Sullivan & Company.

The Security I Like Best

Continued from page 2

the extraction of potable water from brine.

Other areas in which Fluor is working which have interesting potentialities are helium where the company came into the picture in 1959 when the Bureau of Mines selected Fluor to engineer and construct a new helium extraction plant at Keys, Okla. The company expects to participate in a major way in subsequent projects for helium recovery.

To take advantage of construction outside of the U. S., Fluor established a new subsidiary in London, Eng., the Fluor Engineering and Construction Co. Ltd., which has already been successful in securing a contract to perform engineering design for a refinery expansion project in Trinidad, and should participate in a major way in the expansion of petroleum and petrochemical industries in Sterling areas and Free Europe.

In my opinion Fluor Corp. common stock is an unusually interesting vehicle for participation in areas of investment of a highly sophisticated nature. The stock is listed on the New York Stock Exchange.

Gruss & Co. Will Admit Partner

Gruss & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, on May 1, will admit Henry Worms to partnership.

Goodbody & Co. To Admit to Firm

Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange, on May 1, will admit Edward J. Larkin, Werner Lehnberg and Frederick J. Millett to partnership.

Burnett Partner In Cavalier Co.

SAN FRANCISCO, Calif.—Emerson Burnett has been admitted to partnership in Cavalier & Otto, 301 Pine Street, members of the Pacific Coast Stock Exchange. Mr. Burnett was formerly associated with Schwabacher & Co. and Shearson, Hammill & Co.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The 700 level for the Dow industrial average, a pinnacle never seen in history, gave the stock market a stiff fight this week including a day of definite correction as profit-taking moved in on the leaders that had been doing the better work.

There was little ominous about it. Some kind of reaction was overdue, for one thing. For another the usual yardsticks that can flash a warning were all favorable. Trading contracted when the list was heavy, and the breadth of the list also contracted from near-record levels that were seen on strength. Not until this year had there ever been as many as 1300 different issues cross the tape for a day's work. That the correction coincided with the outbreak of a new revolt in Cuba was seen as mostly happenstance. The affected issues have long since reflected the expropriation of their Cuban operations, and until one side emerges clearly as victorious there is little for the market to reflect in either new or dashed hopes.

With the industrial average in uncharted territory, whatever resistance levels were mentioned were those arrived at on the basis of less-than-perfect guessing, but few saw the 700 line as being significant and predictions abounded of readings well above that line.

Oils' Improved Action

Some of the oils were among the better-acting ones when selling was concentrated in other sections of the list. That industry has been making a superior profit showing through the recession, mostly because its own recession dates back a couple of years before the general business slide.

The domestic oil industry is still troubled in spots with oversupply problems, while the Canadian oil business is definitely looking up with government encouragement. Pacific Petroleums is one of the Canadian companies with bright prospects now that it has consolidated the dominion properties of Phillips Petroleum and Sunray Mid-Continent.

As a result, Phillips acquired a 39% interest in Pacific and, in fact, added four top executives from Phillips and Sunray which now holds a 6% interest. Running the company currently is a former Phillips executive.

Aiding the Canadian oil industry is new government policy to step up its own oil supplies after two years during which the industry operated less than half of capacity. Also entwined with Pacific is Westcoast Transmission, 26% owned by Pacific, which is just turning the profit corner and planning to expand its operations with a new British Columbia pipeline. This will also expand Pacific's operations significantly.

Previously-Corrected "Giants"

The well-depressed giants, such as General Motors, weren't much affected by general market easiness since they have had nothing to correct for a long time. The troubles of the auto world are well publicized, including competition from foreign imports. What is lost in the welter of General Motors records is the fact that it is doing a good job of competing with the foreigners, both with exports and in their own countries. The foreign production last year was better than a fifth of GM's total vehicle output and double the levels of seven years ago. It all added up to enough so that GM reported record sales last year, a not inconsiderable feat.

There are some problems for even a colossus like GM. For one, labor contracts expire late in the summer. Profit margins have been pinched for it, as for the industry generally. And the threat of distribution of the 63 million GM shares held by du Pont still hangs over the issue. But with a yield approaching 4½% on a definite blue chip grade issue and a price-earnings ratio of around 14 times, it is certainly not an overvalued investment. Where new all-time peaks are being scored by the more romantic shares, those of GM are available at a discount of more than 20% under their all-time high.

A Restraining "Wonder Stock"

The one-time wonder-worker that is down to definitely restrained action, despite the stress on missiles that will be maintained for a long time, is Thiokol Chemical which is a leader both of rocket propellants and rocket engines. The stock back in 1958 and 1959 looked like it was propelled by a rocket and threatened to go on a schedule of a stock split per year.

But then the earnings ran into a roadblock to dim much of the lustre of this growth issue. So far in 1961 trading, the price of the stock has held in a range of a shade under a dozen points. To students of its affairs, Thiokol is now turning the corner to better earnings, particularly since some of the programs in which it is participating are on the brink of volume production. Meanwhile, its sales have spurted nicely and show no signs of tapering off. Some estimates are that the company, could double last year's 76-cent profit this year and go on from there in the years to come. At its low this year the stock was available at almost half of the high in 1959.

Old-Line Favorites

An old-line favorite that has been a quiet one lately, but still has some friends, is U. S. Lines. This has held in a range of not quite 10 points so far this year and shows an indicated yield of nearly 6% which might normally indicate doubts over its ability to retain its payment which, in this case, are unfounded.

Shares of shipping companies generally have not been looked on kindly by investors, but the figures behind U. S. Lines show it to be a thriving operation that will continue in that status at least until there is a change in the government policy of subsidizing cargo and passenger shipping.

The dividend commitment of U. S. Lines is an indicated $2 a year. In 1959 it earned $4.77 and boosted that to $4.86 in 1960 and has a potential somewhere around $5 for this year, so there is no dividend threat in this case. Its planning shows no pessimism and its ship replacement program runs to around 1970.

Interest in Sears

The mail order collossus, Sears, Roebuck, hasn't been anything approaching a skyrocket even in the recent buoyant markets. It has contributed virtually nothing to the industrial average's climb to the 700 area since its entire 1961 range has been only a bit more than half a dozen points.

Yet to some who study Sears the company is prospering to where it is a candidate for a dividend increase above the $1.40 indicated rate it shows currently. The company boosted sales to a record last year for the sixth year in a row but has been showing a recent profit pinch that kept last year's results from exceeding the record $2.64 reported in 1959. Nevertheless, $2.55 was turned in to give the dividend ample coverage. Here, again, the management obviously is hopeful and is continuing its expansion to open new stores and catalog sales offices.

Dividend Hike Possible

General Foods is also considered a candidate for dividend liberality, particularly since it is reporting record sales as well as new earnings peaks. This issue has reflected the progress in the past although it has quieted down a bit this year after last year's stock split runup.

In the store section the ample yield is the better than 5% of Kresge showing mostly neglect since the company is faring well although bad weather and the cost of opening new stores kept profit restrained last year. The chain is busily opening in new areas to give it true nationwide status. At the end of last year it had 759 in operation which is even more than the 740 retail stores run by Sears apart from its catalog sales offices.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Ira Haupt Names Research Dir.

The appointment of George L. Barone as Director of Research of Ira Haupt & Co., 111 Broadway, New York City, members of the New York Stock Exchange, was announced by Bertram M. Goldsmith, managing partner of the investment firm.

Mr. Barone has been associated with Ira Haupt & Co. for seven years and prior thereto was with Van Alstyne, Noel & Co. and Standard & Poor's.

With California Investors

FRESNO, Calif. — Lester Hallenberg has become affiliated with California Investors, 566 Olive Avenue.

Federal Street Fund Formed

ONE OF THE FIRST CERTIFICATES of Federal Street Fund, Inc., which is starting with assets of $153 million, is shown by George F. Bennett of Boston, Fund President (left), to Sidney J. Weinberg, senior partner of Goldman, Sachs & Co., the dealer-manager. Looking on is Stanley Miller, a Goldman, Sachs partner.

F.H.L.B. Offers Notes

Public offering of $148,000,000 Federal Home Loan Banks 3.10% non-callable consolidated notes dated April 17, 1961 and due Jan. 17, 1962 was made on April 14 by the Federal Home Loan Bank Board through Everett Smith, Fiscal Agent of the Home Loan Banks, and a nationwide group of securities dealers. The notes are priced at 100%.

Net proceeds from the offering, together with current funds of the Home Loan Banks, will be used to retire $160,000,000 notes maturing on April 17, 1961.

Upon completion of the offering and retirement of the maturing notes, outstanding indebtedness of the Home Loan Banks will be reduced to $817,075,000.

ABA Trust Conference Dates Changed

Dates of The American Bankers Association Trust Division's 42nd Mid-Winter Trust Conference in 1962 have been changed from Feb. 12, 13 and 14 to Feb. 5, 6 and 7, Trust Division President Robert R. Duncan has announced.

The conference will be held at The Waldorf-Astoria in New York.

Puerto Rico's Progress and New Latin American Role

By J. Diaz-Hernandez, Executive Director, Continental Operations Branch, Economic Development Administration*

Mr. Diaz outlines the remarkable progress in Puerto Rico today, potential trade and investment areas where private enterprise can develop new markets, and how the commonwealth can become a "workshop" and a "showcase" for Latin America — in line with President Kennedy's recent proposal. Mr. Diaz is not unmindful of what Puerto Rico can do in intelligently helping to overcome present anti-Yankee unrest in Latin America and the appeal of Castro. Puerto Rico, he adds, has one of the fastest growth rates in the world and demonstrates free people can work in close association with the United States.

J. Diaz-Hernandez

The attitude of the United States —in both government and business — is changing in respect to the problems that have long confronted us on the world scene. The current interest in Puerto Rico, stimulated, at least in part, by President Kennedy's announced intention of using the Commonwealth as a "showcase and workshop" in Latin America, is but one aspect of the new look that our public and private leaders are taking at the national role in the world.

Americans are beginning to realize the importance of freer, more mutually beneficial trade with the Latin Countries, and that military alliances and foreign aid alone can not provide lasting answers to the questions and problems arising out of international relations. Our country is awakening to the importance of building realistic economic ties—through cooperation and mutual respect, as equals — with the peoples of the world.

Speaking of economic ties reminds me of an incident which took place several years ago and involved Puerto Rico's Governor Luis Munoz-Marin. It illustrates, I think, the extent to which trade and economic unity have become a fundamental part of foreign relations.

The Governor was meeting with some foreign correspondents, explaining the structure of Puerto Rico's Commonwealth relationship to the United States. He spoke of how this status had allowed Puerto Rico to have internal autonomy while preserving the valued American citizenship of its people and permitting free trade within the American Union.

Puerto Rico, he explained, had attained the dignity of self-determination without isolating itself behind the walls of nationalism.

Then the correspondent from Reuters, the famed British news agency, spoke-up.

"Yes, but when will Puerto Rico get *economic* freedom from the U. S.?" he asked.

"About the same time Britain does," replied the Governor.

There is no question that Puerto Rico's highly successful experiment within the American system can be of value at this time. Twenty years ago nearly 2 million Puerto Ricans were trying to earn a living on less than a million acres of land. The economy was chained to one crop—sugar, which was, in turn, controlled by monopolies and absentee landlords. The population, despite a high death rate, was shooting up by 60,000 a year. Malaria was widespread and illiteracy was high; manfacturing consisted of a few rum distilleries and some hand needlework done at home by women paid from one-half to four cents an hour. The per capita income was $121, and total income was $225 million.

By contrast, today Puerto Rico's net income is $1.3 billion, last year having shown a phenomenal gain of 9.4% over 1959. Gross National Product rose 10% to $1.6 billion. Agriculture has been diversified to include dairy, livestock, and citrus fruit industries. Malaria has been eliminated and the death rate is now lower than that of the United States. With 29% of the Commonwealth budget being expended on education, the literacy rate is 90% and is still rising.

I offer these figures as evidence of the experiment I spoke of before. Each of the facts represents a part of the story of Puerto Rico — a story that started with a people devoid of hope, which gained momentum with the appearance of dynamic political leadership with the American system of free enterprise, and today is being told around the world.

A Lesson to the World

In the past eight years over 14,000 leaders, planners, and technicians from 107 foreign countries have visited Puerto Rico under the auspices of the ICA and Point Four to study the methods developed for the island's famed "Operation Bootstrap" program. Dozens of "Bootstrap" officials have visited underdeveloped areas at the request of local governments and the State Department. And this contribution to international cooperation does not stop with underdeveloped lands. Last November, Ted Mosooso, Administrator of Puerto Rico's Economic Development Administration visited Scotland to address the Scottish Development Council and advise its officials on their own program of economic development.

But this is only one side of the story. Puerto Rico's growth has meant much to the American economy as well. Possessed of vastly increased purchasing power, the Commonwealth is today, on a per capita basis, the largest overseas buyer of American goods. In total figures, the island ranks seventh exceeded only by the six largest manufacturing powers in the world, and ahead of such countries as France and Italy.

In 1960 Puerto Rico bought $760 million worth of goods from the United States, a rise of 12% over 1959. It sent $646 million in goods to the mainland, a rise of 22%.

There are now over 650 U. S.-affiliated factories in Puerto Rico. These include some of the biggest names in American business — *American Can; Carborundum; Consolidated Cigar; Hickock Manufacturing; International Paper; Parke-Davis; Phelps Dodge; Sperry Rand; Star Kist; Sunbeam; Union Carbide;* and *Van Raalte.* To date these factories have opened up approximately 57,000 direct jobs and an additional 49,000 indirect jobs. New factories are coming to Puerto Rico at a rate of about three a week.

Producers of small electrical appliances, machinery, measuring instruments already have proved these products can be made profitably in Puerto Rico. We now feel that such products as business machines, typewriters, adding machines and calculators can be added to the growing list of products manufactured by U. S. companies in Puerto Rico.

Other logical candidates are automotive sub assemblies, components and parts like starters, generators and automatic transmissions.

A number of electronic sub components are now being produced in Puerto Rico and there is no reason why others can not be added; particularly those units which go into nose cones, missiles and other space age items.

A most promising raw material is bagasse, a sugar cane by-product. Puerto Rico produces some three million tons of bagasse each year but only 2% of this is used to make bagasse-based fibers which can be made into a long string of products like containers, hardboard, insulating board, rayon, accoustical tile, furfural and particle board.

As a means to continuing the island's economic growth, further reducing the number of its unemployed, and expanding opportunity, the Commonwealth is stepping-up its program of industrial promotion, and adding to the machinery for attracting new investment.

No Run-Aways Allowed

During the last fiscal year a record 163 U. S. firms started new operations in Puerto Rico, and scores more are in various stages of establishment. Our effort to attract new industry is in no way designed to take plants and jobs from areas within the United States. Puerto Rico does not accept "run-away" industries. Its laws prohibit the extension of aid to either "run-away" industries or factories. We know what it is to be economically depressed and we do not want to contribute to the decline of any area. This would defeat the purpose of our whole program, which is to develop Puerto Rico by making it a profitable working part of a healthy American economy, state and national.

Because we do not accept "run-away" firms we can afford to offer a great deal. In addition to a wide variety of financial aids and incentives, ranging from real estate to machine costs and the training of workers, we also offer a ten year period of corporate tax exemption.

This last incentive was developed out of the belief that as the power to tax can be the power to destroy, so can the power not to tax be the power to create. It has served us well in our work with private enterprise, as it has served so many of the companies that have established affiliations in Puerto Rico.

In some circles we have been criticized for allowing an average profit on investment of from 12 to 40%. We know that high profits within a sound business structure are not a measure of morality, but of efficiency. Government revenues have continued to rise and, what is more important, so has the standard of living in Puerto Rico.

Returning to Puerto Rico's plan for the future, the island is now beginning a new role as a stepping stone to the Caribbean and Latin American markets. In keeping with this, a foreign trade zone has recently been opened at the port city of Mayaguez, on the island's west coast. This zone is unique, because it is the first duty-free, quota-free trade zone under the U. S. flag to permit manufacturing within its limits. This makes it ideal, for example, for a manufacturer who might want to import materials and ship the finished product back to foreign markets. Remember too, that companies in the trade zone are eligible for the same tax exemption and industrial services available to companies operating elsewhere in Puerto Rico. This opens up a whole new area for manufacturers.

Incidentally, under the terms of the trade zone grant signed by the U. S. Secretary of Commerce, companies need not be physically located within the zone. They can establish elsewhere in the island, and, by receiving permission to operate as "sub-zones" still have access to all the allowances that are part of the zone's benefits.

Another feature of interest to companies doing business overseas is Puerto Rico's availability as a site for foreign trading corporations. A company doing business in any one of the countries that do not tax off-shore income, can transfer foreign profits to Puerto Rico and hold them there, tax free, for re-investment later, either overseas or in Puerto Rico.

Now, what of the future? Will the current rate of rapid economic growth prevail?

Tomorrow's Economic Growth

I believe we can safely predict that by the end of this still-young decade Puerto Rico's net income will have doubled to $2.7 billion. This means a rate of growth double that of the U. S. It means one of the fastest growth rates in the world. It means, too, a bigger and more profitable outlet for your goods.

Two more predictions: Within the same 10-year period Puerto Rico's family income should rise from $2,700 to over $4,000 and there should be available 66,000 additional new factory jobs.

In my opening remarks I spoke of the deeper significance of Puerto Rico's ever-strengthening ties with the United States and indirectly touched upon the uses that might be made of the Puerto Rican experience.

Puerto Rico was one of the first areas in Latin America and the Caribbean to begin to awaken to the challenging promises and demands of life in the modern world. While it took the events and inventions of World War II to stir many peoples to the call of freedom and equality, the call was heard clearly in Puerto Rico as early as the mid-30s.

Puerto Ricans wanted to be free of absentee landlords and the sugar monopolies that kept the island tied to one crop and a miserable living standard.

To many the answer lay in independence from the United States. Attempts at infiltration by the Communists failed, because Puerto Ricans wanted to be able to look ahead and to hope. Furthermore, their peaceful tradition and their long association with the United States, had instilled in Puerto Ricans a natural respect for the orderly process of constitutional law and democracy — a respect that is evidenced in the stability of today's Commonwealth Government.

By 1938 the political lines were being drawn. The Popular Party was formed. Land reforms were instituted.

But soon it became evident that no matter how efficiently the land was used it would never be able to support the island's dense population. The answer would have to be found in industrialization.

The government attempted to provide several basic industries, such as cement manufacturing and here learned another valuable lesson. Puerto Rico neither had the capital nor the know-how to build and run the industries that it needed to cut unemployment and strengthen the economy.

In this way, Puerto Rico discovered the road it would have to take to industrialization. With the cooperation of the United States Government, it set about to provide a climate favorable to

investment and encouraging to free enterprise. The Federal Government, realizing that a healthy Puerto Rico would be able to pay its own way and would cease to be a target for critics of America's colonial policies, set out to develop the new relationship.

This mutual effort culminated with the elevation of Puerto Rico to Commonwealth status in 1952. In effect, this was an arrangement between Congress and the people of Puerto Rico. Congress recognized Puerto Rico's right to self-determination and the people voted overwhelmingly to remain joined to the United States.

Today this relationship stands as a monument to enlightened diplomacy as one of the most progressive and practical solutions to the problems of colonialism and nationalism ever devised.

I do not say that the same solution is applicable to the diplomatic and economic problems of the Latin American republics, but I maintain that the Puerto Rican experience has proved that something can be done to improve political and trade relations. It shows that when the government of an underdeveloped area and the government of the United States actively cooperate with responsible private capital and initiative, both nations gain and people are brought closer together.

The Castro revolution in Cuba has served to draw the attention of the United States to Latin America for the first time in over 20 years—and, in this, has done us a great service. But the danger now is that we might write it off as a Communist movement, an extension of Soviet efforts to embarrass the United States and subvert American foreign policy.

Anti-Yankee Unrest Is No Myth

This is a natural reaction. We hear Castro attack us and then watch as he sets-up trade relations with the Soviet Union and her satellites, recognizes Red China, and starts collectivizing Cuban agriculture. But it is for us to think beyond these defiant gestures. We can not afford to forget that this revolution, and the general anti-Yankee unrest in Latin America, is not a Soviet invention, but is the product of general dissatisfaction. The accusations are both a warning and a plea—and their true meaning is that the revolution would be taking place if there were no such thing as International Communism. The Reds have moved in simply because it has been an easy thing to capitalize on the general unrest. Everything — the open defiance of the United States, the emotional identification with Castro — can be traced to our years of preoccupation with other areas. We gave these people no choice, no understanding, and helped create the kind of vacuum in which Communism thrives. What we must remember is that the poverty, the disease, the will to pursue happiness was there long before the Reds began spreading their propaganda.

Our task in Latin America is not a matter of engaging in a popularity contest, either. The people of Latin America know what the United States can do and what it stands for. The trouble is that we have not based our Latin policy upon an extension of our system. The sounds of hostility we hear now are the sounds of disillusionment.

Our plenty has not hardened us. It has, in fact, led us more than ever into the reality of the world and its demands. Where freedom is threatened by violent aggression we stand ready to fight to preserve it. When natural disaster strikes we are first to the scene to offer aid and comfort to its victims. It is not in our nature to ignore the truth of human suffering.

Still the fact remains that we have not been doing enough in Latin America and, in many fields, are losing this market to less rigid, more far-seeing, non-Communist European competitors. Simply stated, this is due to the curious inflexibility of our economic policy towards Latin America. Had American business and the administrative and legislative branches of our government cooperated more closely with one another in seeking a better understanding of the problems of Latin America and in developing methods of contributing to, as well as using, those areas, this sort of destructive crossing of purposes and the resulting misunderstanding could have been avoided.

It is still not too late to set things right—and I don't mean by offering large sums of money. I mean by participating, as a partner, in a closely coordinated mutual effort. Puerto Rico, suffering from almost every one of the very problems that are being confronted in Central and South America today, developed a strong productive economy without asking for money from the Federal Government. What was asked instead, and received was cooperation in the creation of an economic atmosphere that would attract and stimulate commerce and free enterprise.

Each time that you hear of another manufacturer establishing a plant in Puerto Rico, think of it in terms of another vote of confidence in our system as American as Football Saturday—a system that is our greatest asset.

And here is the greatest lesson born out of the Puerto Rico experience: A nation seeking to attain economic strength and a higher standard of life and freedom can attain its objective by associating with the United States. This was the first—and perhaps the most difficult—lesson Puerto Rico had to learn. It now remains for the states of Central and South America to discover it, and for us to show them that it can be done and that we are willing to show the way.

Working Together Profitably

There is no reason why we can not work together profitably. We have a common purpose and both the northern and southern hemispheres have something of value to contribute—the north has the technology and the capital; the south has the labor and the resources. Working together we could build an economy undreamed of in history. There are over 180 million people south of the Rio Grande now, and by the turn of the century the number will exceed 560 million — twice the expected population of the United States.

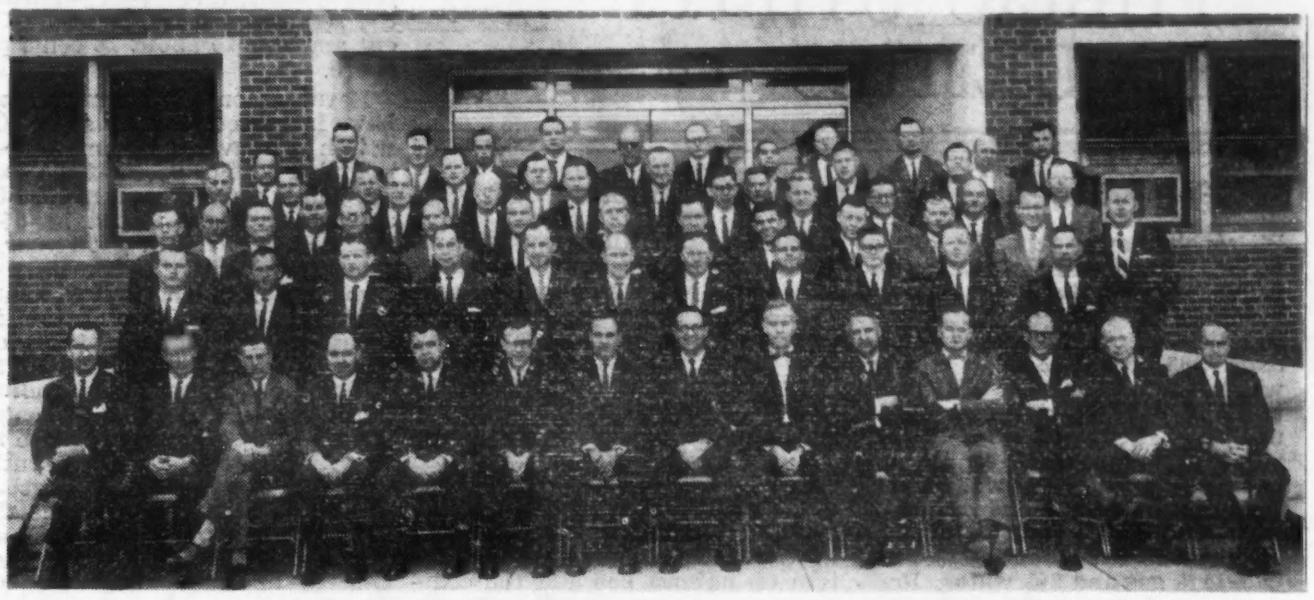
The moment we show these people that we are willing to work with them in terms of cooperation and a mutual search for a better way of life, show them that we do not seek to exploit, but to develop, we will begin to win the heart — and regain the markets of Latin America.

I know that today, in certain areas, this might seem nearly impossible. True, it will never be easy; but since when has the United States shied away from great challenges?

Fifteen years ago a Senate Committee conducted a full-scale investigation of Puerto Rico's problems and pronounced them "unsolvable." Well, we know they were not. Every day that conclusion is proved wrong again, as new opportunities open up in a wide variety of industries and as Puerto Rico becomes more than ever an important part of America's manufacturing and trade structure. And I submit that, as the world has seen in Puerto Rico, there is no problem that the American system, with its free enterprise economy and its creative imagination, can not solve and benefit from its solution.

***An address by Mr. Diaz before the International Executives Association, New York City.**

Graduates—1961 Institute of Investment Banking



FIRST ROW
(From left to right)
James C. McCormick
Eppler, Guerin and Turner, Inc., Dallas.
Adrian L. Asherman
H. M. Payson & Co., Portland.
Joseph P. Short
Arthurs, Lestrange & Co., Pittsburgh.
William P. Solum
Paine, Webber, Jackson & Curtis, Milwaukee.
Keith R. Gilmore
Kalman & Company, Inc., Minneapolis.
David E. Kreid
Prescott, Shepard & Co., Inc., Cleveland.
Leopold Adler, II
Varnedoe, Chisholm & Co., Inc., Savannah.
Paul P. Wisman
Francis I. du Pont & Co., Lynchburg.
Edward S. McKinlay
The Illinois Company, Incorporated, Chicago.
George S. Kurtz, Jr.
A. E. Masten & Company, Butler.
Ralph Lowell, Jr.
Merrill Lynch, Pierce, Fenner & Smith, Boston.
William A. Hart
Merrill Lynch, Pierce, Fenner & Smith, Charlotte.
Robert C. Tengdin
Allison-Williams Company, Minneapolis.
C. Herbert Sadtler
Mead, Miller & Co., Baltimore.

SECOND ROW
(From left to right)
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Reynolds & Co., Winston-Salem.
Rolfe W. Beaudry
Fridley & Frederking, Houston.
Marshall A. Loewi
Loewi & Co., Incorporated, Milwaukee.
Howard H. Gasaway
The Ohio Company, Columbus.
Robert P. Seeber
Manley, Bennet & Company, Detroit.
J. Vernon McCarthy
Edward D. Jones & Co., St. Louis.
William H. Cornhoff, Jr.
Saunders, Stiver & Co., Boston.
Roger O. Brown
A. G. Becker & Co., Incorporated, Chicago.
Charles E. Jacobs
Singer, Deane & Scribner, Pittsburgh.
George M. Henderson
Moore, Leonard & Lynch, Pittsburgh.
William A. Buckingham
Baker, Watts & Co., Baltimore.

THIRD ROW
(From left to right)
George A. Peterson, Jr.
Kidder, Peabody & Co., Chicago.
Ellis M. Woodward
Eastman Dillon, Union Securities & Co. Boston.
John Delbert Green
First Southwest Company, Abilene.
Barney Dreyfuss, II
Ferris & Co., Washington.
Crawford M. Sites
Courts & Co., Atlanta.
William G. Budinger
Dean Witter & Co., Chicago.
Robert M. Wohlforth
Hemphill, Noyes & Co., New York.
Henry W. Black
Abbott, Proctor & Paine, Richmond.
James T. O'Brien
A. C. Allyn and Company, Incorporated, Chicago.
Robert L. Boone
Shearson, Hammill & Co., Beverly Hills
Albert R. Hughes, Jr.
Lord, Abbett & Co., New York.
Herbert S. Bengtson
Schmidt, Roberts & Parke, Philadelphia.

FOURTH ROW
(From left to right)
Leon A. Lascor
The J. K. Mullen Investment Company, Denver.
Robert C. Carr
Townsend, Dabney & Tyson, Boston.
Robert L. Doering
Boettcher and Company, Denver.
Edmund N. Gorman
Stein Bros. & Boyce, Baltimore.
William D. Sherrerd, III
Butcher & Sherrerd, Philadelphia.
Peter J. Rosenthal
Rosenthal & Co., New York.
Joseph B. Binford
Goodbody & Co., New York.
Rubin Hardy
The First Boston Corporation, Philadelphia.
Granville H. Bourne
The First Boston Corporation, New York.

FIFTH ROW
(From left to right)
Philip B. Drake
McDonald & Company, Columbus.
William J. Watkins
F. W. Craigie & Co., Richmond.
Ronald A. Cain
J. C. Wheat & Co., Richmond.
Harold G. Purinton
Stein Bros. & Boyce, Baltimore.
Alexander J. Riker
First of Michigan Corporation, Detroit.
John B. Wells, Jr.
Dean Witter & Co., Long Beach.
Alfred J. Bianchetti
J. A. Hogle & Co., New York.
John J. F. Sherrerd
Drexel & Co., Philadelphia.
Raymond B. Garcia
J. M. Dain & Co., Inc., Minneapolis.
Alan A. Moses
Dominick & Dominick, New York.

SIXTH ROW
(From left to right)
George L. Johnston
Goldman, Sachs & Co., Boston.
John R. Seifert
John C. Legg & Company, Baltimore.
Jack C. Payne
Dallas Union Securities Co., Inc., Dallas.
Eli Tullis
E. F. Hutton & Co., New Orleans.
Willard Howard
Eaton & Howard, Incorporated, Boston.
Jack H. Davis
Mercantile National Bank at Dallas, Dallas.
Harry L. Koenigsberg
Lee Higginson Corporation, New York.
George J. Lyon
Piper, Jaffray & Hopwood, Minneapolis.
W. Marshall Schmidt
Hornblower & Weeks, Philadelphia.
Theodore Schmitt
The Ohio Company, Columbus.
Allen Weintraub
Newburger & Co., Philadelphia.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Wisconsin Power & Light Company

Wisconsin Power & Light, one of three leading utilities bearing the name "Wisconsin," has annual revenues of over $50 million. It supplies electricity at retail in over 385 communities, and at wholesale to 33 municipalities and to rural cooperatives and public utilities. It also supplies natural gas in 13 municipalities, LP gas in two, and water in two. Principal cities served include Sheboygan, Fond du Lac and Beloit.

Revenues are about 87% electric, 11% gas and 2% water. Residential and rural sales account for about 49% of electric revenues (or 50% of combined electric and gas income); commercial 20%, industrial 14% and miscellaneous 17%.

While the territory is devoted principally to agriculture, dairying and tobacco, it also includes rock quarries, sand and gravel deposits and zinc mines, plus diversified manufacturing industries. Beloit has a heavy industrial load with Beloit Iron Works, Fairbanks Morse and Yates-American Machine Company. In Janesville are the Chevrolet and Fisher Body plants of General Motors, and Parker Pen. Fond du Lac and Sheboygan constitute another industrial area, the Kohler Company being the largest company, Kohler, despite its long history of labor troubles, has greatly expanded its plant facilities in recent years.

The company has a generating capacity of 476,000 kw plus firm purchased power of 23,000; peak demand last year was 398,000 kw. There are four steam plants with a combined capacity of 420,000 kw, and another 100,000 kw unit, now under construction at a cost of some $14 million, is expected to go into operation in December next year. The company has two hydro plants with a combined capacity of about 40,000 kw; and also a one-third interest in two other plants with 35,000 kw capacity. These and other hydro plants of the Wisconsin River are backed up by a 18 billion cubic foot system of reservoirs owned and operated by the electric utilities and paper companies in the state, under the name of Wisconsin Valley Improvement Company. 1960 proved to be the best hydro generation year in the history of the Wisconsin River.

Early in 1961, the company and Wisconsin Public Service formed an electric power pool, which will enable the companies to cut costs by building larger plants and by prolonging the periods between additions. Benefits will begin in 1963 when the companies will buy and sell firm power capacity.

Electric revenues more than doubled in the decade ending 1960 while gas revenues nearly quadrupled. With Canadian gas now in Wisconsin, there is no restriction on natural gas and the company is not only aggressively out after gas business, but is extending the service to new communities.

The company has been active in industrial development work for many years, with good results. In the past five years 118 new plants were built in the area and 152 existing industrial plants were expanded. Wisconsin is a leading dairy state and the dairy business is important in the company's area. In 1960 some 40,000 rural customers accounted for 19% of electric revenue and farm customers used an average of 7,045 kwh per annum, or about twice that of residential customers. Illustrating the extent of farm use of electric appliances, 40% of all electric barn cleaners and silo unloaders in the country are presently installed on Wisconsin farms.

In 1960 capitalization was approximately as follows:

(000's Omitted)		
Bonds	$81,700	47%
Preferred Stock	23,500	14
Com. Stock Equity	68,362	39
Total	$173,562	100%

It appears unlikely that there will be any equity financing for some time.

Last year, with record hydro power available, the company earned about 6.4% on net plant account although in earlier years the return had averaged 6% or a little under. The company took a voluntary rate reduction of $1,200,000 last year, apparently as the result of pressure from some of the customers for a cut. The company stated: "Certain of our electric rates were above those of our neighboring utilities and in the light of our earnings position plus the advantage of making our rates more promotional, good judgment dictated that we make the reduction in November." The cut amounts to about 18 cents per share.

Earnings on the common stock have increased steadily since 1954 with an average annual compounded gain of 6%. (If the comparison is carried back to 1950 the average increase would be 5%.) The company had a good year in 1960 in spite of the downturn in business and a cool and wet summer. $2.38 was earned (an increase of 4 cents over 1959) despite the fact that the credit for interest on construction declined by an amount equal to 21 cents a share. In a recent talk before the New York Society of Security Analysts President Forsberg stated: "We have confidence that 1961 will be a good year. In January and February, though there was a business turndown and weather was comparatively mild, we finished the first two months on budget. Earnings per share were 49.6c compared with 51.4c in 1960. Because of our rate reduction and a more conservative business outlook starting the year, we budgeted $2.28 per share in 1961 compared with $2.38 in 1960."

Wisconsin Power & Light, which had been selling recently around 38 in the over-counter market, pays $1.48 to yield 3.9%. The price-earnings ratio based on 1960 earnings is 16, and based on the 1961 budget estimate would be 16.7, compared with the industry average of about 21. The dividend payout at 62% of last year's earnings is low, indicating the possibility of a dividend increase some time during 1961-62.

Allen Joins Paribas Corp.

Robert D. Allen has become associated with Paribas Corporation, 40 Wall St., New York City, according to an announcement by Robert H. Craft, President of the company.

Mr. Allen had been with Alex. Brown & Sons for four years, prior to which he was a Vice-President of Aubrey G. Lanston & Co., Inc.

Form Flato, Bean Co.

CORPUS CHRISTI, Tex.—Flato, Bean & Co. has been formed with offices at Highway 44 and Baldwin Boulevard to engage in a securities business. Officers are Malcolm W. Bean, Jr., President, and L. C. Carter, Secretary-Treasurer. Mr. Bean was formerly with FIF Associates.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Are Stockholders Friendless?

There is a move coming in the Congress to repeal or dilute the dividend credit now granted stockholders in American corporations. There is another equally injurious piece of legislation that would provide for the withholding of income taxes at the source before dividends are received by stockholders. Both of these proposed changes in the existing laws of the land should be opposed by every security salesman in this country.

For too many years the stockholders of this nation's business establishments have been disorganized and disenfranchised. Not only are corporation taxes way out of line at 52% of net when compared with taxes that are *not* collected from Unions and Cooperatives that *pay no taxes* at all, but these are taxes that are passed on to the public in higher prices for everyone to pay.

The capital gains taxes are a tax on capital, and we are the worst offender in all the world in this respect. No other government hounds and penalizes its risk-taking, enterprising investors, with the kind of tax we have to suffer in this country in this respect. The market is clogged with withheld, over-priced, stocks that don't come out of lock-boxes because investors would rather pass these taxes on to their heirs than pay them. The capital gains tax doesn't raise much revenue but it is a brake on risk taking, speculation, and job making.

After these taxes are paid by his corporation, a stockholder, also has to pay an income tax on his dividends, less the first $50 exclusion and the 4% credit on the remainder. Well and good, he pays it. He doesn't need a horde of tax collectors checking the reports of corporations who will have to hire more and more clerks to figure out how much should, or should not, be deducted from every dividend check each month. Who is going to decide whether it should be 20%, 30% or 90%? Who in this great "New Frontier" government of ours is going to tell all the bookkeepers, in all the corporations, whether or not your income or mine is going to be up 10% or down 20% this year? Or whether or not Joe Doe's wife had a pair of twins last February? Maybe they will do all this by formula too; but anyway it will take a lot more bureaucrats in the tax department to figure it out, check on the deducts, and who will pay the bill for the extra bookkeeping charged to the corporation — we stockholders, of course!

Stock Salesmen Should Raise the Roof

Stock salesmen in this country should get our customers together and tell them what is going on. We should get copies of this bill. We should write letters to our Congressmen. We should visit, write, talk on the radio, organize groups, and stir up such a rumpus that our customers will write to their Congressmen and tell them that if they vote for this kind of a Shenanigan tax on dividends, and a withholding tax, that the next time these great statesmen run for office they will get such a shellacking from the 15,000,000 people who own stocks they will never forget it.

I am going to fill my pockets with post cards and I am going to give them to my customers. I am going to tell them the name and number of this bill. I am going to have the names of my esteemed Congressman from my district, as well as both Senators from my state and I am going to tell these people, "Write it in your own hand, tell these tax grabbers what you think. Don't use my words, use your own." We could show these Washington parasites they can't strip us dry. Any one that wants to join me I am ready and raring to go. How about it boys? And wouldn't it be heart-warming and wonderful if just for once all the corporations in this country wrote to their stockholders and told them what these bills will do to their "take home" pay. The union wouldn't sit around and do nothing if something like this came up in Washington and threatened their little bee-hive. The only way a citizen of this country can protect himself against iniquitous legislation is to organize his group, put up a fight for his rights and threaten those who vote against those rights with extinction at the polls.

I'd like to see every corporation president in America, also trade organizations, write to stockholders and tell them to get behind this push to defeat these tax bills.

The only answer to continued tax oppression on the stockholder, the risk taker, and the fellow who puts up the capital is to demand that unmerited tax claims placed upon them by both State and Federal Governments be ended. Otherwise, all the deficits, government spending, give-aways, subsidies, and aid to depressed areas, will only result in more unemployment and misery in this country. You can't make jobs by forcing people to gamble in the stock market, so they can make capital gains taxed at 25%, when they have to pay 52% to Uncle Sam first through their corporations, and then from 20% to 90% more on what they receive in dividends.

The only way this country can grow and create the jobs we will need in the sixties is to get the tax-eaters off the back of the shareowners in American industry. More taxes—less jobs.

P.S.—A step in the right direction is the drive now being sponsored by the non-profit investors League, Inc., 234 Fifth Avenue, New York 1, N. Y. The league, according to President William Jackman, is seeking signatures on petitions from individuals all over the country requesting Congressional opposition to the proposed measures.

Additionally, the petitions urge an increased tax credit on dividends and a drastic cut in the capital gains tax.

Int. Safflower Stock Offered

Copley & Co., Colorado Springs, Colo., has offered publicly 60,000 shares of the class A common stock ($2 par) of International Safflower Corp. at $5 per share.

International Safflower, with offices in the Equitable Bldg., Denver, Colo., will use the net proceeds of the offering for working capital, the lease or purchase of land, the retirement of outstanding loans, and the purchase of seed, machinery, and equipment.

Now Fin. Planning Co.

SYRACUSE, N. Y. — The firm name of Robert P. Sheridan Company, State Tower Building, has been changed to Financial Planning Company.

"Our organizational changes are designed to improve sales and earnings and to accelerate long-term growth. The unification of three separate refining-marketing operations will give us the advantages of efficiency and flexibility under single management of a nation-wide subsidiary. The new structure will permit all of our executives to use their talents more effectively to improve the Company's profitability."
JOHN E. SWEARINGEN, PRESIDENT

STANDARD OIL COMPANY (Indiana) MAKES MAJOR MOVES FOR LONG-RANGE GROWTH

Nineteen-sixty Annual Report discloses accomplishments in terms of increased earnings and corporate reorganization

During 1960, Standard Oil Company (Indiana) made several important strides in its long-range program to increase efficiency and earnings. A comprehensive reorganization of product manufacturing, marketing and distributing activities was accomplished. Foreign activities were accelerated. And a new planning department was set up to help lay out long-range programs for the Company and assess investment opportunities in the petroleum business and related fields.

For the year 1960, corporate earnings were about 4 per cent greater than in 1959, Net earnings totaled $144,762,000 or $4.05 a share on the average number of shares outstanding, as compared with a net of $139,597,000 or $3.90 a share the previous year. Cash flow increased to $9.62 a share, compared with $8.70 a share in 1959.

Record Income and Assets. Sales and other operating revenues were up, due mainly to larger sales of major petroleum products, natural gas and automobile supplies. Total income rose $57 million to a record $2,038,208,000. Total assets at year end equalled nearly $3 billion. Capital expenditures were $251,574,000.

Important Reorganization. On December 31, 1960, the Company completed a major reorganization in which Standard Oil Company (Indiana) became entirely a parent company for domestic and foreign activities. Its functions will be: 1) to provide guidance for policies, planning, and programs of the consolidated enterprise; 2) to oversee and handle the Company's business and financial affairs; 3) to coordinate operations among all subsidiaries; 4) to evaluate performance, organization and personnel.

The direct management of the manufacturing, transportation, research and marketing facilities was turned over to its wholly-owned subsidiary—American Oil Company. American Oil Company, further expanded by the facilities of Utah Oil Refining Company, also wholly-owned, has become a national refining-marketing organization, with all the increased efficiency inherent in unified management. Operations of other Standard Oil Company (Indiana) subsidiaries were not affected by the reorganization.

Dividends Paid. The Company paid four quarterly cash dividends of 35 cents each per share. In addition, a special fourth quarter dividend of one share of Standard Oil Company (New Jersey) stock was paid for each 65 shares of Standard Oil Company (Indiana) stock, or cash payments were made in lieu of fractional shares of Jersey stock. The total dividend value was $1.995 and equal to about 50 per cent of earnings, marking the ninth straight year in which this ratio has been maintained.

Production. Net production of crude oil and natural gas liquids in North America averaged 299,283 barrels per day in 1960. After production of 110 million barrels during the year, reserves showed a gain of 103 million barrels, bringing the total reserves in North America to 2,347 million barrels at year end. Net production of natural gas increased 4.5 per cent—from 1.51 billion cubic feet daily to 1.58 billion cubic feet. Net proved reserves of natural gas totaled 15,358 billion cubic feet at year end, an increase of 2,090 billion cubic feet.

In Argentina substantial production of crude oil was achieved amounting to 31,400 barrels a day at year end. In Venezuela the Company shared in the completion of several large wells. A subsidiary was formed in Australia—Amoco Australia Ltd.—which plans to build a refinery near Brisbane with an initial crude capacity of 15,000 barrels a day.

Directory of Standard Oil Company (Indiana) Major Subsidiaries

PAN AMERICAN PETROLEUM CORPORATION, Tulsa, finds and produces crude oil and natural gas in the United States and Canada. Its subsidiary, Pan American International Oil Corporation, New York City, engages in oil exploration and development outside of North America.

AMERICAN OIL COMPANY, headquartered in Chicago, manufactures, transports, and sells petroleum products in the United States. It markets through its Standard Oil division in 15 Midwest states.

SERVICE PIPE LINE COMPANY, Tulsa, transports crude oil for our refineries and for others.

AMOCO CHEMICALS CORPORATION, Chicago, manufactures and markets chemicals from petroleum here and abroad.

INDIANA OIL PURCHASING COMPANY, Tulsa, buys, sells, and trades crude oil and natural gas liquids in the United States.

AMOCO TRADING CORPORATION, New York City, buys, sells, and trades crude oil and products elsewhere in the world.

TULOMA GAS PRODUCTS COMPANY, Tulsa, markets liquefied petroleum gas, natural gasoline, and related products.

For the complete 1960 Annual Report, write Standard Oil Company (Indiana), Dept. W-100.

STANDARD OIL COMPANY (INDIANA), 910 S. MICHIGAN, CHICAGO 80, ILLINOIS

Parker Corp. Elects

Harry H. Simanek has been named Assistant Vice-President of The Parker Corporation, Boston investment manager and distributor of Incorporated Income Fund and Incorporated Investors, third oldest of the nation's mutual funds. Mr. Simanek will be wholesale representative for the two funds in Michigan, Indiana and Kentucky, with headquarters in Detroit.

MUTUAL FUNDS

BY ROBERT E. RICH

"Is Everybody Happy?"

If you viewed the world from a lofty suite overlooking Manhattan's teeming financial district, you would be justified in asking: "**What** recession?" A down-to-earth veteran Wall Streeter, who hasn't had a week-end to himself this year, stated the situation even better. In the gathering dusk, looking south from Maiden Lane, this victim of combat fatigue sighed after yet another frantic day: "This is an oasis of prosperity in a desert of recession."

Wall Street is not the whole country by a long shot and, as New York's late Mayor Fiorello H. LaGuardia once said: "Ticker tape ain't spaghetti." With the Big Board tape grinding out 50% more business than last year and the other equity markets operating beyond theoretical capacity, the Canyon surely must be the envy of faraway Pittsburgh and Detroit, and that segment of New York north of Pine Street.

But the major beneficiaries of this golden flow are learning anew that money won't buy happiness. Over at 11 Wall, G. Keith Funston runs the busiest store in the world, but he is not a happy man. He has been sounding warnings against the something-for-nothing customers and unbridled speculation. Brokers, who are paying the hired hands to work overtime and even voting springtime bonuses, are wondering when—and, more importantly, where—it will end. And analysts, noting that one of their **wunderkind** is selling at nearly 1,000 times earnings, are getting jittery over their last growth-stock recommendation even as they recite the many splendors of a new one in birth. Fund managers talk incessantly about "over-priced growth stocks," but usually wind up conceding they'll go even higher.

The Russians put only one man in space, but thousands of Americans have been up there for months now and show no sign of coming back to Mother Earth.

Many people, especially the older ones, are worried, although not always for publication. After all, it's quite a party and it's a bold fellow who would suggest that a lot of people who have come shouldn't be there or, if they want to stay, at least should behave themselves. It will prove one day to be of small comfort to recall that in the name of people's capitalism, they were cordially invited.

Make no mistake about it, the guests are having quite a time. Stocks have supplanted Sex and the Soviet as topics for conversation at the breakfast table, on the train, over lunch, far into the night, and in the locker room, at funeral receptions and before and after religious services.

In Hollywood, New York and Washington, it has been said, if you can't be glamorous you might as well be dead. But ever since the Great Fever of 1961 struck, the homespun fellow can cut quite a figure at parties and solemn occasions as the man who knows how to pick stocks. A fellow can command considerable attention just by letting it be known that he "works in Wall Street." It doesn't matter whether he's an elevator operator or a short-order cook, as long as he knows the jargon—capital gains, splits and breakthroughs.

Of course, it may be that the fretful fraternity worries needlessly and that we have found at last a secret weapon to undo dynamic communism. Maybe all that people will have to do henceforth is walk into boardrooms around this country and emerge, after a decent interval, with fat capital gains. In no great time we ought to be able to still those small voices that are murmuring about folks who seek "something for nothing."

It may even be that one day we'll be able to do something about those benighted butchers and bakers who insist on turning over their investing chores to professional management. Plainly, the parade has passed them by.

Having no hot-stock and quick-turn stories to tell, they charm no gatherings. Confessing to no temptation to abandon their own business to pursue overnight market profits, they are hardly prepossessing figures.

This department has had occasion to note in the past that the stock market business is the psychology business. When the mood to buy is present, it is all but impossible to keep some people away, no matter how high the price and how low the value. Once they've been burned and scared off, the scars must heal before they'll return. Amid the present-day frenzy it is not easy to find a man who expects to be around the kitchen when it gets hot.

Professional portfolio managers are not without emotions either but, as a breed, they are unmoved by tips and prospects of a fast profit. Right now, a lot of morticians and manicurists are doing much better than the professionals, but the race, as we know, is not always to the swift. If seasoned Wall Streeters are not completely happy these days, it's not for lack of results, but rather because they fear that the good fortune of the newcomers will be reversed.

After all, if 800 Dow and the 10,000,000-share day is just around the corner, it's a fair guess that Senator Fulbright or one of his colleagues is down the block.

The Funds Report

Adams Express Co. reports total net assets at March 31 amounted to $104,200,233, the equivalent of $31.29 a share on the 3,329,595 shares outstanding. This compares with $93,100,725, equal to $27.96 on the same number of shares at the close of 1960.

American International Corp. reports that at March 31 total net assets amounted to $44,689,672, or $18.24 a share on the 2,449,600 shares outstanding. On Dec. 31 net assets were $39,807,991, the equivalent of $16.24 per share on the 2,451,100 shares then outstanding.

* * *

Chemical Fund, Inc. reported record total assets and per share value in its quarterly report to shareowners. Net assets on March 31 amounted to $300,008,842, equal to $12.34 a share on 24,308,354 shares outstanding. The asset total was 20% greater than the $249,610,658 in assets reported on the same date a year ago. The year-ago asset total was equivalent to $10.68 a share on the 23,370,856 shares then outstanding.

* * *

Net assets of **Dominick Fund, Inc.** totaled $43,767,000, equal to $24.98 a share on 1,752,085 shares outstanding on March 31. These figures compare with total net assets of $38,152,000 and net asset value per share of $22.32 on 1,709,067 shares outstanding on Dec. 31, 1960.

In the fund's first-quarter report to stockholders, it was pointed out that total net assets reached a new high, up 14.7% in the three-month period, after deducting the dividend of 12 cents a share payable April 15. Net asset value per share on a larger number of shares increased 11.9% in the same period.

Among common-stock holdings eliminated during the first quarter were Neptune Meter Co., United States Plywood Corp., CIT Financial Corp., Anaconda Co., and H. J. Heinz Co. The fund also sold 900 shares of International Business Machines stock to diversify its portfolio. However, IBM remains the fund's largest individual holding, amounting to 12.6% of total net assets.

New common-stock purchases included Armour & Co., Wilson & Co., Armstrong Rubber Co., General Tire & Rubber Co., Brush Beryllium Co., Jim Walter Corp. and additional shares of American Telephone & Telegraph Co.

At the end of the March quarter, holdings of common stock comprised 93.5% of total assets, compared with 90.9% at the 1960 year-end, before taking into consideration dividends payable in February, 1961 out of 1960 income and realized gains. The increase in equities was due in part, it was said, to the belief that a business recovery will take place during the second half of the year.

Common stock of office equipment manufacturers comprised 13.5% of total assets, electrical products manufacturers comprised 10.9% and oil and gas companies represented 10.1%, as of March 31.

* * *

Energy Fund reports new commitments during the first three months of this year included: Apco Oil Corp. (units), American Machine & Foundry, Central Louisiana Electric, Cerro Corp., Elco Corp., Electronic Associates, Emerson Electric, L. M. Ericsson Telephone Class B, Falconbridge Nickel Mines, Foote Mineral, General Precision Equipment, Jarrell-Ash, Pechiney S. A., Sogerap, Sperry Rand, Universal Oil Products and Yardney Electric Corp.

Eliminations by Energy Fund: Allis-Chalmers, Cleveland Electric, Consumers Power, Collins Radio, E. I. du Pont de Nemours & Co., Electric Storage Battery, General Tire & Rubber, Hewlett-Packard and Kalvar Corp.

* * *

Fairfield Securities, Inc., announced its net asset value per share on March 31 was $167.69, compared with $129.34 on Dec. 31,

1960. Total gross assets equaled $2,353,923.85 on March 30, against $1,413,361.56 on Dec. 31, 1960. The five largest holdings as of March 31, were California Liquid Gas, Coastal States Gas Producing, James Talcott, Inc., Union Bank of Los Angeles and Jim Walter Corp.

Transactions in the third quarter included sales of Brockway Glass Co. and Schering Corp. Additional purchases were made in Air Products, California Liquid Gas, County Trust Co. of White Plains, N. Y., First Security Corp., Union Bank of Los Angeles and Jim Walter Corp. Initial commitments included purchases of Citizens & Southern National Bank and Guaranty Bank of Phoenix.

* * *

Securities totaling $153,502,419 have been accepted from 640 investors in 37 states in exchange for shares of **Federal Street Fund, Inc.**, it was announced by George F. Bennett, President of the fund, and Sidney J. Weinberg, senior partner of Goldman, Sachs & Co., dealer-manager of the group soliciting the exchanges. They attributed the success of the fund to "the efforts of dealers in all geographical sections of the country."

With the acceptance of these stock tenders, Federal Street becomes the first of the "big exchange funds" to be consummated. Several others are in the process of organization.

The minimum permissible exchange was $50,000. Over one-third of the deposits were between $50,000 and $100,000 and about two-thirds were less than $200,000. About 5% of the deposits were in excess of $1,000,000. The largest single investment by an individual investor exceeded $4,600,000. The average individual holding in Federal Street Fund is approximately $240,000. Each share was priced at $1,000.

* * *

Investors Diversified Services, Inc. and Nationwide Insurance Group have agreed to undertake a joint study project looking to a selling force that would offer the investment and insurance services of both organizations. Announcement of the study involving sales forces totaling 9,400 persons in most of the states, was made by W. Grady Clark, President of Investors Diversified Services; Murray D. Lincoln, President of Nationwide, and Charles T. Ireland, Jr., President of Alleghany Corp.

The I. D. S. group offers face-amount certificate and life insurance through subsidiaries, and shares in five affiliated mutual funds. Nationwide offers a full line of insurance and is one of the largest fire and casualty insurance underwriters and the third largest of the independent insurers of automobiles.

* * *

Net asset value per share of **Investors Research Fund, Inc.**, increased to $13.96 from $11.51 during the three months ended March 31, it was announced by the fund in its quarterly report to shareholders. Taking advantage of favorable market conditions, Investors Research Fund obtained a bank loan and was 119.2% invested in common stocks, the report stated. Total net assets amounted to $3,339,282, with 239,213 shares outstanding.

Issues purchased during the quarter included Litton Industries, Armstrong Cork, Otis Elevator, Trane Co., American Photocopy, Kawicki Chemical, Tennessee Corp., Plough, Inc., Emerson Electric, International Telephone & Telegraph, Beechnut Lifesavers, Campbell's Soup, Brunswick Corp., Coca-Cola, McGraw-Hill, High-Voltage Engineering, A. B. C. Vending, and Vendo. Issues eliminated from the portfolio were Grumman Aircraft, Federated Department Stores, Fairchild Camera, Florida Power & Light, and Southern Co.

Lazard Fund, Inc. reports that net assets as of March 31, amounted to $130,094,137, or $16.96 per share on 7,671,629 shares outstanding. This compares with $15.93 per share on Dec. 31, 1960 and $15.33 per share on March 31, 1960.

At the close of the quarter the fund was 87.6% invested in equity-type securities. This compares with 91.4% a year earlier, with the balance in cash or liquid obligations of relatively short maturity.

* * *

Madison Fund, Inc. has acquired the assets of the S. & B. Investment Corp. The transaction amounted to about $1,000,000, involving an exchange of approximately 43,250 shares of Madison Fund at $22.63, its net asset value, subject to completion of conditions. S. & B. Investment, a Louisville company, has assets consisting of a broad list of equities.

Sales of **Wellington Fund** and **Wellington Equity Fund** in March set all-time records for that month. Wellington Fund sales were $11,316,000, up from the $9,525,000 of a year earlier, and Wellington Equity volume for last month rose to $1,972,000, against $525,000 in March, 1960.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Herman W. Hess and John H. Stockdale have been appointed Vice-Presidents in the administrative department of the **Chase Manhattan Bank, New York,** David Rockefeller, President, announced yesterday.

Mr. Hess joined the bank as a page in 1915. Since 1951 he has been associated with the administrative department and now heads the loans services division. He was named an Assistant Treasurer in 1945 and was promoted to Assistant Vice-President in 1952.

Mr. Stockdale joined the bank in 1927 and has been in charge of the operations services division of the administrative department since 1952. He was appointed an Assistant Treasurer in 1950 and promoted to Assistant Vice-President in 1952.

Others promoted were Michael W. Curran and Horace F. Scharges to Assistant Treasurers in the international department.

* * *

George E. Kruger has been appointed a Vice-President of the **Chase Manhattan Bank, New York.**

Mr. Kruger joined the Bank's petroleum department in 1957 as a mining geologist and was named Technical Director, mining industry, in 1960.

Other promoted were Oswald E. D. Merkt to Assistant Vice-President and Vahe H. Kenadjian and Archie E. Russell to Investment Officers in the investments and financial planning department.

* * *

THE FIRST NATIONAL CITY BANK OF NEW YORK

	Mar. 31, 1961	Dec. 31, 1960
	$	$
Total resources	7,962,957,367	8,668,429,220
Deposits	6,874,696,515	7,641,924,475
Cash and due from banks	1,594,799,163	2,029,684,200
U. S. Govt. security hold'gs	1,246,502,568	1,454,447,284
Loans & discts.	4,118,762,116	4,254,929,949
Undivid. profits	119,315,261	140,576,845

* * *

Shareholders in the **First National City Bank of New York** and the **National Bank of Westchester, White Plains, New York,** at special meetings April 18 approved merger of the two institutions. The merger also must be approved by the Controller of the Currency.

James S. Rockefeller, Chairman, said that acquisition of the National Bank of Westchester, would give First National City 21 branches at once. "There is no telling how many years and years it would take to get that many locations," he added.

* * *

G. Russell Clark, New York State Superintendent of Banks and Chairman of the Banking Board, announced that the Banking Board had disapproved the Bankers Trust-County Trust bank holding company application.

Mr. Clark indicated that this decision was based on the Board's view that the proposed formation would result in a bank holding company with a concentration of assets beyond limits consistent with effective competition within Westchester County; that it may result in a lessening of competition injurious to the interests of the public, and in a tendency toward monopoly in Westchester County. He pointed out that while some added convenience to the public might result from approval of the application, its anti-competitive implications and the consequent adverse impact on the public interest weighed the balance toward disapproval.

Superintendent Clark stated that the basis for the Banking Board's action was the dominant position within Westchester which the proposed holding company would occupy (with 40-50% of Westchester's commercial banking services), in combination with the economic power and competitive advantages of a $3 billion New York City bank; that although County Trust now controls a similar proportion of Westchester's commercial banking business, the Banking Law, which is concerned with regulating the expansion of holding companies, refers to the size and asset concentration of a proposed holding company system, and not of any individual bank which is to be part thereof; that the proposed affiliation would largely cut off banks other than Bankers Trust from actual and potential correspondent relationships with County Trust, amounting to almost one-half of such commercial bank opportunities originating within Westchester; and that approval of the proposed application would result in a tendency toward monopoly over wholesale banking services within Westchester.

The Superintendent of Banks also noted that the influence that approval of this application would exercise on the future course of asset and market concentration in New York State banking could not be ignored; that if this proposal and a contemplated merger between a large New York City bank and the second largest Westchester bank were consummated, two major New York City banks would control, between them, about 75% of commercial banking assets and deposits and two-thirds of commercial bank branches in Westchester, and that the power to monopolize the Westchester banking market would be inherent in such a situation.

* * *

Francis P. McElroy and Frank X. O'Brien, Managers of **The County Trust Company, White Plains, N. Y.,** were named Assistant Treasurers.

* * *

John H. Saxe, 79, President of the **State of New York National Bank, Kingston, N. Y.,** died April 16. He had been President of the bank since 1937, and had been a trustee since 1923.

* * *

SECURITY NATIONAL BANK, LONG ISLAND, NEW YORK

	Mar. 31, 1961	Dec. 31, 1960
	$	$
Total resources	$214,226,498	$212,649,988
Deposits	193,838,786	194,477,413
Cash & due from banks	24,711,647	22,899,239
U. S. Govt. security holdings	42,658,450	42,659,365
Loans & discts.	79,665,048	82,922,029
Undivided profits	1,186,600	731,853

* * *

Mr. Robert L. Davis, President of the **First National Bank of Olean, New York,** died March 27.

* * *

April 3 was the effective date of the merger of the **Peoples Bank of Hamburg, Hamburg, New York,** and the **Bank of North Collins, North Collins, New York,** under the title of the **Peoples Bank of Erie County, Hamburg, New York.** The merger has been approved by the Board of Governors of the Federal Reserve System.

* * *

The effective date of the merger of the **Liberty Bank and Trust Company, Buffalo, New York,** and the **National Bank of Fredonia, Fredonia, New York,** which has been approved by the Board of Governors of the Federal Reserve System, under the title of **Liberty Bank and Trust Company,** was April 3.

* * *

The Liberty Bank and Trust Company, Buffalo, New York, has increased its common capital stock from $3,602,500 to $4,067,790, consisting of 406,799 shares of the par value of $10.

* * *

The merger of the **Erie County Trust Company, East Aurora, N. Y.,** into **Liberty Bank and Trust Company, Buffalo, N. Y.,** under the title of the **Liberty Bank and Trust Company,** has been filed with the New York State Banking Department.

* * *

The Board of Governors of the Federal Reserve System has given permission to the **State Street Bank and Trust Company, Boston, Mass.,** to merge with the **Rockland-Atlas National Bank of Boston, Boston, Mass.,** under the title of the **State Street Bank and Trust Company.**

* * *

THE FAIRFIELD COUNTY TRUST COMPANY, STAMFORD, CONNECTICUT

	Mar. 31, 1961	Dec. 31, 1960
Total resources	$183,740,337	$196,064,320
Deposits	164,267,842	177,596,205
Cash & due from banks	16,189,748	25,704,507
U. S. Govt. security holdings	37,111,469	35,403,475
Loans and discts.	109,020,958	113,710,987
Undivid. profits	2,176,368	1,521,858

* * *

The Board of Governors of the Federal Reserve System has approved the merger, which was effective as of April 3, of the **Union County Trust Company, Elizabeth, New Jersey,** and the **Linden Trust Company, Linden, New Jersey,** under the title of the **Union County Trust Company,** with head office transferred to former location of the Union County Trust Company.

* * *

A charter has been issued by the Comptroller of the Currency to the **Cherry Hill National Bank of Delaware Township, Delaware Township, Camden County, New Jersey.** Its President will be Joseph M. McCrane, Jr., and its Cashier Earl D. Buck. It has a total of $500,000 in capital and surplus.

* * *

Speros G. Drelles has been elected a Vice-President of **Pittsburgh National Bank, Pittsburgh, Pa.** He will head the Research Section of the bank's Trust Investment Department.

Mr. Drelles began his career in 1956 as an Investment Analyst with **Peoples First National Bank & Trust Company,** a predecessor bank.

* * *

The National Bank and Trust Company of Spring City, East Vincent Township, Pa., with common stock of $300,000, was merged with and into **Montgomery County Bank and Trust Company, Norristown, Pa.,** effective as of Feb. 17.

* * *

Robert D. Goodall has been elected an Advisory Director of **Baltimore National Bank, Baltimore, Maryland.**

* * *

The Continental Illinois Bank & Trust Company, Chicago, Illinois, awaits the approval of the Federal Reserve Board to open a branch in London, England.

* * *

Maurice Cohn, Vice-President, **Harris Trust and Savings Bank, Chicago, Illinois,** died suddenly April 16.

Mr. Cohn was President of the **Liberty National Bank of Chicago,** which merged with the **Chicago National Bank.** He came to the Harris Bank when it merged with Chicago National in 1960.

* * *

Election of two Vice-Presidents in the trust division of **Chicago Title and Trust Company, Chicago, Ill.,** was announced by Paul W. Goodrich, President.

Harold C. Bull was elected Vice-President in charge of the probate department. Otto J. Zack was elected Vice-President, effective immediately, and he will assume responsibility for trust new business development effective June 1.

* * *

The Bank of Trade of San Francisco, San Francisco, Calif., has received a charter from the State Superintendent of Banks. Capitalized for $1,500,000.

* * *

By the sale of new stock, the **La Salle National Bank, Chicago, Ill.,** has increased its common stock from $3,750,000 to $4,125,000, effective April 3. (Number of shares outstanding 165,000 shares, par value $25.)

* * *

The City National Bank of Rockford, Rockford, Ill., has changed its name to the **City National Bank & Trust Company of Rockford,** effective April 1.

* * *

The Board of Governors of the Federal Reserve System has given its approval to the merger of the **Genesee Merchants Bank & Trust Company, Flint, Michigan,** and **Vernon State Bank, Vernon, Michigan,** under the title of the **Genesee Merchants Bank & Trust Company,** effective March 6.

* * *

Peyton Anderson has been named a Director of the **Citizens & Southern National Bank, Atlanta, Georgia.**

* * *

The common capital stock of the **Farmers National Bank of Opelika, Opelika, Alabama,** has been increased from $100,000 to $150,000, by a stock dividend, and from $150,000 to $200,000 by the sale of new stock, effective April 5. (Number of shares outstanding 20,000 shares, par value $10.)

* * *

The El Paso National Bank, El Paso, Texas, has increased its common capital stock from $4,500,000 to $5,000,000, by a stock dividend, and from $5,000,000 to $5,500,000 by the sale of new stock, effective April 3. (Number of shares outstanding 275,000 shares, par value $20.)

* * *

Directors of the **Seattle-First National Bank, Seattle, Wash.,** announced that Robert E. Coleman was elected Assistant Economist at the main office, John C. Herber was advanced to Assistant Cashier in the Branch Supervision department at the main office, and Robert E. Beppler was named an Assistant Manager of the Bellevue branch.

Norton Clapp has also been elected a Director.

* * *

The stockholders of the **Canadian Bank of Commerce** and the **Imperial Bank of Canada** approved the merger of the two at special meetings held in Toronto April 14.

The new bank would take the title of **Canadian Imperial Bank of Commerce** and would be the second largest in Canada. The merger, however, is still subject to the approval of the Federal Governor-in-Council.

The merged institution would have 1,203 branches across Canada and 19 abroad, and more than $4,200,000,000 of assets.

* * *

Another Pacific branch of **Bank of Hawaii, Honolulu, Hawaii,** will be opened in Agana, Guam, in early June.

Coleman Stock Is All Sold

Public offering of 150,000 shares of Coleman Engineering Co. Inc. common stock at a price of $11.75 per share was made on April 14 by Auchincloss, Parker & Redpath and associates. The stock sold quickly at a premium.

Net proceeds from the sale of the common stock will be used by the company for the retirement of short-term borrowings and for additional working capital.

Coleman Engineering Co. Inc., with headquarters in Los Angeles, Calif., is engaged primarily in research, development, engineering and manufacturing of missile ground handling equipment, electro-mechanical parts, products and systems. The company also manages and operates a supersonic test track in the state of Utah. Operating division of the company is located in Torrance, Calif.

For the seven months ended Nov. 30, 1960, consolidated net sales of the company and its subsidiaries aggregated $2,959,230.

Outstanding capitalization of the company now consists of $970,000 of long-term debt; 310,504 shares of common stock, and 36,758 shares of 6% cumulative convertible preferred stock.

All-Tech Common Offered

Robert L. Ferman & Co. Inc. (Miami, Fla.) and Miller Securities Corp. (Atlanta, Ga.) offered on April 17 70,000 shares of All-Tech Industries Inc. common stock at a price of $4 per share.

Net proceeds from the sale of the common shares will be used by the company for various corporate purposes, including repayment of bank loans; retirement of certain chattel mortgages and notes; construction of increased plant and office facilities; purchase of raw materials; sales promotion and advertising. The balance of the proceeds will be used for working capital purposes.

All-Tech Industries Inc., Hialeah, Fla., designs, manufactures and markets a product line of automatic amusement devices for children. These coin-activated ride machines are located in department stores, supermarkets, variety stores and shopping centers for ultimate use by the public. The company also makes furniture hardware.

For the year ended Oct. 31, 1960, the company had sales of $464,907 and net income of $39,152. Upon completion of the current financing, outstanding capitalization of the company will consist of 150,000 shares of common stock.

Monetary Policy Alone Cannot Cure Economic Ills

Continued from page 7

and buyers of goods and services throughout the world.

In short, solution of our balance-of-payments problems requires energetic private competition in an environment of appropriate fiscal, monetary, and wage-price policies. This does not mean, of course, that the economy be kept under constant fiscal and monetary restraint. For some time now we have had to face a serious unemployment problem at home, along with a deficit in the balance of payments.

When Anti-Recession Moves Began

Very early in 1960, well over a year ago, the Federal Reserve launched upon a vigorous program of actions to buttress the economy against weaknesses that were to become increasingly evident after mid-year. In March, the Federal Reserve System's open market operations began to bolster the lending capacity of member banks by reducing the borrowed portion of bank reserves. Between March and July, with business on the decline, some $1.4 billion of additional reserves were provided to induce an expansion in bank credit and the money supply. Early in June, and again in August, discount rates were reduced. Between August and December, nearly $2 billion of vault cash was made eligible to be counted as reserves and still more reserves were provided by open market operations.

Some measure of the effectiveness of the foregoing actions by the Federal Reserve is recorded in the dramatic change that took place in bank reserve positions. At the beginning of 1960 member bank borrowings were $400 million more than their excess reserves. Now they have $500 million of free reserves. Moreover, we have been able to sustain a high rate of increase of bank credit, based in part on growth of time deposits. Total bank loans and investments at the end of February were $12.8 billion above the level of February 1960.

Nevertheless, the task of engineering monetary ease was increasingly complicated during 1960 by an outflow of short-term capital which intensified the balance-of-payments problem of which I mentioned earlier. An important cause of the outflow was the disparity between short-term interest rates in this country and short-term rates abroad.

Abundant liquidity prevailed on this side of the Atlantic, where slack business conditions and lack of demand for funds caused short-term interest rates to decline. We were out of phase with high levels of business activity prevailing on the other side of the Atlantic where there was a vigorous demand for funds and consequently high short-term rates of interest, particularly in Germany and the United Kingdom. Under those circumstances, substantial amounts of liquid capital flowed overseas to take advantage of better returns. The continuing accumulation of foreign claims on American dollars and the outflow of gold reached a stage where confidence in the American dollar was being questioned in overseas financial centers and it gave rise to a short but dramatic speculative upbidding in the price of gold on the London market last fall.

This conjuncture of events, domestic and international, forced the Federal Reserve System to confront a difficult dilemma.

During the latter months of 1960, economic recession at home called for increases in bank reserves to foster expansion of bank credit as a recovery measure. If we supplied these reserves by purchasing Treasury bills, in which our open market operations had been concentrated for several years, the direct impact of our purchases might drive short-term rates so low as to encourage a further outflow of funds to foreign markets, aggravating the balance of payments problem.

Thus, the Federal Reserve began, last October, to provide some of the additional reserves needed by buying certificates, notes, and bonds maturing within 15 months, somewhat longer than the 12-month limit we had usually held to prior to that time.

Switch to Long Terms

Then, on Feb. 20 of this year, the Federal Reserve began to buy securities having maturities beyond the short-term area.

The two-fold purpose of this new practice of operating in all maturity sectors of the Government securities market is to see whether we can provide reserves necessary to stimulate business without fostering further outflow of liquid funds.

Some people have said, "You are trying to make water run downhill in one direction and uphill in another. It can't be done." Quite frankly, nobody can be sure as yet how much can be accomplished by these operations. But the problem is there, and we must make every effort to solve it. That we intend to do.

Since the Federal Reserve instituted its all-maturities procedure seven weeks ago, there has been, quite naturally, considerable discussion about the procedure itself and still more about its results to date.

In much of this discussion, it seems to me, there has been a mistaken over-emphasis placed upon the *levels* of interest rates, as if some particular levels of rates could be in themselves an objective of monetary policy.

That is not the case. What the Federal Reserve is seeking to do is not to set some particular level of rates for either short or long term securities, but rather to influence the flow of funds in international and domestic channels.

The progress of its efforts, therefore, cannot be measured merely by matching the level of rates prevailing at any given time with the rates prevailing just before transactions were extended to all maturities.

Gauges Measuring Success

To me, it would appear, the best gauges of that progress are these: in respect to short-term rates, whether the outflow of funds to foreign centers is being stemmed; and in respect to long-term rates, whether the flow of capital into productive investment activities is being facilitated.

To anyone surveying developments in recent weeks certain things will be apparent.

On the international front, despite some turbulence in foreign exchange markets following revaluation of the German mark in early March, speculation against the dollar has quieted.

It would be foolish, however, to presume our troubles on this front are over. The fact remains that currency convertibility makes it possible, at any time, to have dangerously large flows of volatile funds in international finance — flows on a scale that could shake confidence in even the strongest currencies, and cause internal difficulties in even the strongest economies. To gain and hold the world's confidence in the dollar, we are going to have to remain on guard against the causes of these flows—differences in interest rates, conditions of monetary ease or tightness, budgetary conditions, and developments of any kind that raise questions and doubts about determination to preserve the value of our currency.

On the domestic front, there is evidence that funds are beginning to flow somewhat more freely into activities that may help to spur expansion of the economy. Record highs have been registered within the last month in the number and dollar volume of proposed corporate security flotations submitted to the Securities and Exchange Commission. The total of flotations planned by state and local governments for the month of April, after a sharp rise in March, adds up to one of the highest monthly figures for recent years.

Meanwhile, market yields on long-term securities have been steady, at levels appreciably below the highs of a year ago, in the face of developments that often have produced higher interest rates in the past. Among these developments have been some widely publicized predictions of an economic upturn which appear to have given a boost to general expectations; also, there has been an increase in international tensions. Many will recall that in somewhat similar circumstances in mid-1958, the securities market experienced a drastic price decline and a sharp rise in interest rates.

In mentioning these developments, I do not—emphatically not—mean to claim great accomplishments for the Federal Reserve. We have played a part, but that is all.

Furthermore, I would hope that it would be clear to everyone by now that we have never intended to try to establish an arbitrary rate level. Instead, we have recognized from the beginning that the effectiveness of Federal Reserve operations depends heavily upon the reactions of investors. Also, that investors are very likely to react adversely to attempts to set rates arbitrarily, and hence are likely to make any such attempts self-defeating by moving their investments elsewhere. In our country, the government cannot compel anyone to invest or lend his money at rates he is unwilling to accept, any more than it can compel anyone to borrow at rates he will be unwilling to pay. That is a fact that no public authority can ever afford to ignore.

What we have been trying to do is to operate over a wider range in the execution of our transactions, and thus to register more speedily in the various maturity sectors of the market whatever direct impact our transactions can make. But our operations have been within the framework of a free market. We have respected the freedom of investors to decide what they wish to do, and the necessity that the market remain basically free to reflect the underlying forces of general supply and demand that mainly shape both the trend of interest rates and the flow of funds.

Pressing Unemployment Problem

At the moment, we have pressing need to reduce unemployment and to promote economic growth at the maximum sustainable speed.

In March, the number of persons holding jobs totaled 65.5 million, a record high for that month. But another 5.5 million constituting 6.9% of the labor force, were looking for work in vain. Not since World War II had so many been unemployed at that season.

Getting these people into active, productive work will require comprehensive efforts, on several fronts, for we will need to press forward—simultaneously—against differing causes of unemployment.

Against cyclical unemployment, which arises from contraction of over-all demand, the Federal Reserve has been and is striving — with an assist now from fiscal policy — to give stimulus to the economy.

But there is another front on which specific actions in supplement of monetary and fiscal operations are needed if we are to deal effectively with the unemployment problem without at some point risking harmful side effects as, for instance, the touching off of a new wage-price spiral.

My reference now is to structural unemployment, which arises from changes in technology, shifts in consumer preferences and in defense production requirements, depletion of resources, relocation of plants, and so on.

A major difficulty in getting workers displaced by such developments into other jobs is that their skill, education, training and backgrounds are not generally those required in expanding activities. But we can help them to overcome that by providing them with educational and training programs, better information about job opportunities, revision of pension and benefit plans to eliminate penalties against movement to new jobs, and reductions of impediments to entry into jobs, along with tax programs to stimulate investment that will expand work opportunities.

Fixes Responsibility

In some of these instances, the primary obligation of the government will be leadership, rather than action, for obviously a major responsibility and role in efforts to overcome unemployment, both cyclical and structural, rests upon management and labor.

The Federal Reserve intends now, as in the past, to make vigorous use of its monetary powers in order to contribute to the attainment to conditions conducive to a productive, actively employed, steadily growing economy with relatively stable prices.

But clearly those conditions cannot be provided by monetary policy alone. Help is needed, especially in directly attacking some of the problems of unemployment that cannot reasonably be solved by credit measures. Without such help, we might find at some point that the plague of unemployment was still with us, but by then it had been compounded by inflation.

What is needed, in my judgment, is a judicious blend of specific actions, well-balanced monetary and fiscal policies, and wage-price policies fitting to a vigorously competitive market structure.

In such a setting, the Federal Reserve System would be able to carry out its operations more effectively, and at the same time with greater moderation in respect both to easing and to tightening credit conditions. In consequence, swings in interest rates and in bond prices should likewise prove more moderate.

Calls for Lower Price Level

And in such a setting, conditions would be ripe for the type of demand-expansion I mentioned at the beginning of these remarks: a demand-expansion built upon provision of better value through passing some portion of productivity gains to the consumer in the form of lower prices, and a demand-expansion further fostered by active American trade in widening world markets.

In my judgment, there is no surer path than this to an enduring prosperity, in which all free men may share. If we actively pursue this course no threat the Communists may produce will seriously endanger our security.

*An address by Mr. Martin before the Association of Reserve City Bankers, Boca Raton, Fla., April 11, 1961.

U. S. Steel Deb. Financing Sets Three-Year High

An issue of $300,000,000 United States Steel Corporation 4½% sinking fund debentures due 1986 is being placed on the market on April 19 by a nationwide underwriting group headed by Morgan Stanley & Co. The debentures are priced at 99¼% and accrued interest to yield approximately 4.55% to maturity. Associated with Morgan Stanley & Co. in the offering are 295 investment firms.

The offering marks the largest industrial public debt financing operation undertaken since 1958 and stands as one of the largest of its kind on record. In July, 1958, U. S. Steel sold, through a Morgan Stanley-managed underwriting group, an issue of $300,000,000 of 4% sinking fund debentures due 1983.

It is expected that delivery of debentures will be made on or about April 26, 1961, or (if the purchaser so elects on or before April 20, 1961) on July 13, 1961.

The net proceeds of the sale will be added to the general funds of U. S. Steel Corp. to restore in part working capital expended in its expansion and modernization program and will be used for corporate purposes including future expenditures for property additions and replacements. Capital expenditures of more than $2,130,000,000 have been made during the five years 1956-1960.

Annual sinking fund payments of $15,000,000 will be made on each April 15 from 1967 to 1985, inclusive. The corporation has the noncumulative option to double the sinking fund payment in any year. The sinking fund is calculated to retire 100% of the issue by maturity.

The debentures are redeemable at 104¼% to and including April 14, 1963, at decreasing prices thereafter to and including April 14, 1981, and thereafter at 100%. The sinking fund redemption price will be 100%. The corporation may not prior to April 15, 1966, exercise its option to redeem any debentures from or in anticipation of monies borrowed at an interest cost to it of less than 4.55%.

Long-term debt on Dec. 31, 1960, after giving effect to the issuance of the new debentures but before the anticipated exercise by June 30, 1961 of a credit agreement by a subsidiary to borrow up to $200,000,000 from banks, would have been $754,221,447. The equity of the corporation as of Dec. 31, 1960, consisted of $360,281,100 of 7%, $100 par value, preferred stock and $2,941,586,000 of common stock and income reinvested in business. There were 54,033,307 shares of common stock, par value $16⅔, outstanding at Dec. 31, 1960.

For the year ended Dec. 31, 1960, the corporation reported products and services sold amounting to $3,698,500,000 and ratio of earnings to fixed charges of 18.19 compared with $3,643,000,000 and 16.09, respectively, for 1959.

The corporation is the nation's largest integrated steel producer and manufactures a wide range of steel products. In addition to the production of steel, the integrated operations include the mining of iron ore and coal; the quarrying of limestone; the operation of facilities to beneficiate raw materials and produce coke; the fabricating and erection of bridges, buildings and other steel structures; the production of cement as well as the ownership of a number of transportation companies which principally carry the materials involved in the production of steel products.

A Searching Look at 1961 And Our Economic Problems

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would be a renewed effort to replenish depleted inventories—at any rate, steel would be in short supply. Thus, the second quarter of 1959 witnessed a rapid expansion in inventories as the strike appeared more imminent. At that time, the annual rate of inventory accumulation approximated $11 billion. This gave a sharp, but unnatural stimulus to gross national product.

Once the strike was settled, steel users began to accumulate inventories once more. In fact, during the first quarter of 1960, this factor alone accounted for an impetus to GNP of about $11 billion again. But, it was not long before there was a realization that the rate of inventory build-up was not going to approach and remain at anywhere near the pre-strike level.

More and more steel users, and other businessmen as well, learned that they could get along with smaller inventories and began to operate more on a day-to-day basis so far as keeping their pipelines filled, relying on supply sources for inventory rather than to stock the materials themselves. Better warehousing procedures, computer techniques that reduce the necessity for overstocking and improved transportation and communication all contributed toward reducing the necessity for high inventories—and all of these things came to fruition at about the same time.

In addition, many manufacturers who had become accustomed to over-buying during the various scarcity periods of the 1950s learned that there was little danger now of running short of supplies, and so they too reduced their overall inventory cycle. Improved methods of marketing and distribution also have contributed to lessening the necessity for larger inventories.

To this, we must add the general cost consciousness which engulfed most companies in 1960 and resulted in reducing excess investment in non-producing inventories. All of these things culminated to initiate a steady decline in the rate of inventory accumulation so that by the end of 1960, instead of inventory build-up stimulating GNP positively, inventory use-up caused GNP to decline slightly. Because of the $11 billion stimulus in the first quarter, however, the year showed a rate of inventory accumulation of between $3 and $4 billion. For 1961, the level of inventory accumulation should be more steady.

By mid-1961, most businesses should have their inventory problems rather well under control, with inventory cycles being maintained out of current buying rather than accumulated surpluses. For the year, the impetus of inventories to GNP might be about $2 billion. The more direct effect of inventory buying probably will not be felt until the latter part of the year. It should be remembered that there is a greater tendency for firms to cut down on inventory accumulation when they operate at a significant percentage below capacity, and this will be increasingly true for many manufacturing companies during much of 1961.

Activating Forces in the Economy

Frequently, the statement has been made that the economic health of America reflects activity in three basic areas—construction, steel and automobiles. Let us look at these for a moment. Residential construction reached a peak of about 1.53 million units in 1959 and averaged out to about 1.3 million in 1960. For 1961, the figure might show a slight increase of about 5%, especially if the efforts of the Kennedy Administration to have long-term interest rates reduced is successful. Because of the added costs of construction in 1961, this increase might be responsible for as much as a billion dollars in value added.

Residential housing illustrates another case where the maturing state of the economy affects national production. The country had become accustomed to a steady increase in housing after World War II and the Korean affair as many new households were formed and the doubling-up of spending units into one household became less common with increased purchasing power and easier terms of borrowing. Now, both of these factors are reacting to slow the number of new housing starts. There are fewer doubled-up families and the costs of borrowing have increased. Interest rates on government financed home mortgages have not been very competitive with general market opportunities recently. Another factor is the fact that the nation now is facing an uneven age group in the population. The 1930s depression low birth rate is manifesting itself today in the fewer number of marriages and fewer new family formations.

The total for all construction should show a slight increase in 1961 over 1960, reaching about $57 billion, for an increase of about $2 billion over the preceding year. However, this is in terms of current dollars and as much as half of this increase might be dissipated by way of increased costs of construction. Although the outlook for residential construction is not much better than 1960, and although there should be a decline in industrial construction, it is possible to have the above-mentioned increase in total construction because of the probability of improvement in commercial (office buildings, shopping centers), non-profit and governmental construction. Indeed, we may look for a substantial increase in the latter category as the national government has assumed a rather positive role to act by way of hastening certain public works outlays if the recessionary forces deepen. Even so, the number of bond approvals by state and local governments indicates that there will be an increase in public construction even if the Federal Government outlays should not be enlarged.

New Plant and Equipment

There seems to be general agreement that the outlays by businessmen for new plant and equipment will drop in 1961. A primary reason for this anticipation is the degree of unutilized capacity that already exists currently in many industries. Few people realize the extent of industrial capacity that has been added to American industry since 1950. In fact, many industries that currently are operating at between 50 and 75% of capacity still are pouring out more physical units today than they did in 1950 when their ratio was about 100%. This causes several serious problems for the economy. One is the negative effects on investment plans and a second is the influence on the volume of unemployment as newer plants are able to produce a greater output but with fewer man-hours of input.

These factors should be remembered when we read about a particular industry such as steel that is operating only slightly above 50% of capacity. But, nonetheless, when plants are at such low levels, they are not enthusiastic about any new investments in added capacity and tend to limit their capital expenditures to replacement and the bare necessities of expansion.

This may be, in the long run, a short-sighted policy if the industry has hopes that ultimately it will require not only its existing capacity but additional facilities. Especially, if costs of construction continue to increase as they seem to indicate, it might be that the present recessionary period would be a more economical one in which to expand rather than to wait until a more prosperous future period. But, because of the stewardship that corporate officials have towards their stockholders, it would be difficult for them to justify added expenditures now and increased capital costs when they are unable efficiently to utilize what plant capacity they now have. The conflict between interests tends to be resolved in favor of holding off on the plant expansion plans.

Although several companies, such as in aluminum and automobiles, have announced ambitious plans for expenditures for plant and equipment for 1961, the overall expectations are that the total outlay for the year will drop below that for 1960, whose total was between $35 and $36 billion. Based on the uncertainty during the first half of 1961, the excess capacity characteristic of so many firms and the wait and see attitude that has become commonplace, the comparable total for 1961 probably will be about $2 billion less. Broken down as between quarters, we may expect a sharper adjusted decline during the first half of the year, but with some improvement after midsummer.

Drag Caused by Unemployment

One of the rather troublesome, persistent problems that has been introducing a pessimistic note into the economy during the last four or five years, and has been acting as a sort of drag even in the more prosperous recent years, is the behavior of unemployment. Although industrial activity has remained high and the total of employment has behaved well, we find a hard core of unemployment still with us. This is resulting from several factors. To begin with, the normal increase in the labor force which formerly ran at 800,000 or less annually, now appears to be hitting an annual rate of about 1,200,000. Gradually, the increased population of the 1940s will be hitting the labor market and this will accentuate the problem of normal increase. Besides, when business slackens and prices rise and the one breadwinner is unable to make ends meet, other members of the family enter the labor force. But, if it were this increase alone that was causing the problem, there would be less to worry about.

A more serious factor is the sharp increase in managerial efficiency that is being experienced along with the improved productivity of the remaining labor force. Automation is playing a significant role in this respect and is causing a considerable degree of displacement. This is not to suggest that the pace of automation should be slowed or that technological change or managerial improvement should be abandoned. Rather, what is happening is a displacement without a countervailing absorption of the displaced workers. One of the conventional solutions to the problem of technological unemployment has been the suggestion that reduced prices would enable a greater output to be sold, thereby creating a need for the displaced workers. But, the price situation today appears to be one that does not hold the promise of any substantial reduction.

Recent studies by a Congressional committee headed by Congressman Holland from Pennsylvania have pinpointed the seriousness of this occupational problem. Several examples are pertinent: steel employment in production and maintenance dropped 18.5% between 1937 and 1959, whereas shipments rose 121%; telephone industry employment has dropped 5% since 1955 but business has gained by 25%; bituminous coal production has shown a 100% increase in productivity during the last decade; in electrical machinery productivity has risen 20% but the number of jobs between 1953 and 1960 has declined by about 80,000; the electric lamp industry employs 1500 less workers than in 1950 but produces 42% more volume; the auto industry is turning out 15% more vehicles today than three years ago but with 3% fewer workers; textile production has risen 5% during the last 12 years but employment has declined by 38%. Additional examples are available readily.

The challenge of increased productivity leading to more efficient production and lower per unit costs so that prices may be reduced and more production sold is great. It is only in this way that the displaced workers may be absorbed. There are not enough new blotting paper industries to absorb them any other way.

Why Expansion is Needed

Thus, it is quite possible that the volume of unemployment might be as high as 5½-6 million by the end of 1961, or an increase of more than a million over the figure at the beginning of the year in spite of a total for employment that could be stable or off only slightly. This brings out the fallacy of looking at increasing employment figures alone. These do not tell the whole story. The unemployment data are the more significant. This situation points to the necessity of maintaining not only a stable rate of industrial growth if the nation is to enjoy continuous prosperity, but to show an increasing rate of expansion.

At the present time, it is likely that a GNP of about $550 billion at current prices would be required if we were to have full employment. Such a figure is far out of reach for 1961 or even 1962, and if it should be attained later, the increase in the labor force would make it necessary to reach a still greater GNP to achieve full employment. The necessity for an increased rate of national economic growth thus is obvious if we are not to be saddled continuously with a large segment of unemployment. The expected increase in GNP for 1961 hardly will take care of any increase in prices, let alone provide for any normal growth, completely precluding the possibility of absorbing any additional unemployed.

Not only does the volume of unemployment constitute a drain on the psychological state of the nation, it also becomes costly in the public transfer payments necessary to support it. With unemployment in excess of 6% of the labor force—and as high as 12-25% in many distressed areas—one cannot look forward to any miracles in business conditions during the year. Stop-gap devices such as extended unemployment compensation benefits that might pump a billion dollars into the economy are no solution. They merely transfer purchasing power and the techniques of taxation used to finance their outlays might introduce a negative multiplier effect on business. Just as there is human unemployment, there will be an unhealthy situation with respect to the degree of unemployment of the other agents of production and resources of the economy—capital, land and entrepreneurial ability itself. Bankruptcies that are on the increase sap the strength of the nation and point to the inefficient utilization of resources.

GNP "Numbers Game"

The reason why the American economy appeared so strong and healthy during the 1950s can be attributed to the phenomenon of growth. The long range rate of growth of the economy from about 1900 to 1959 averaged out to about 2.9% a year. Thus, if we take the GNP of 1959 ($482.1 billion) and apply this rate of growth to it, the 1960 figure should have been about $496 billion in 1959 prices. Actually, it was $503.2 billion, but without adjustment for the rise in prices. Again, applying this rate for 1961 the figure should approximate $518 billion.

But, these long established rates of growth do not take into account the fact that a given GNP can be produced with less labor, and so an increased rate becomes essential if full employment is to be achieved. Indeed, a GNP of about $540 billion today at no increase in prices would be required were we to enjoy the luxury of full employment at the present time.

Different results, however, are obtained if one "plays the numbers game" of estimating rates of growth and uses different terminal points. For example, from 1957-60, GNP advanced at a rate of about 2.7% annually; from 1953-57, the rate was 2.3% yearly; but between 1948 and 1954, the increase averaged out to an annual rate of 5.2%. Therefore, we can get varying levels at which 1961 would be normal depending on which historical rate of increase we use.

It is interesting to note that the 1948-54 period was one in which employment was nearly at a maximum level and that in the other periods there has been a substantial degree of unemployment not only of labor but other factors of production as well. It becomes important, then, that all sectors of the economy do their utmost to achieve the rate of growth necessary to attain reasonably full employment. Otherwise the economy will be sluggish throughout the 1960 decade and we will not enjoy the potentials that the current decade offers. To be sure, the 1948-54 period was helped along by the pent-up scarcities still remaining from World War II and the Korean affair and the increased outlays associated with cold war.

Possible Private Stimulants

The gap that exists in spending in the economy today is not one that cannot be filled. But, it must be filled if full employment and general prosperity are to be achieved. In this respect, we note that there are several significant stimulants in the economy that might be called upon to generate the increased activity necessary for experiencing a higher rate of growth. One of these is the volume of consumer spending. This is running at about a record level at the present time, and the fact that this is so has been responsible in no small way for keeping the recessionary influences from deepening.

The current Federal Government policy has attempted to stimulate this facet of activity through such policies as extending unemployment benefits, hastening veteran insurance dividends and the like. But, one must remember that these payments are transfer payments and do not involve any increase in production; they transfer purchasing power from one group to another on the theory that the marginal propensity to consume of the receiving group is greater than that of the paying group. It is possible, however, that these payments might be financed through deficit financing and thus not diminish purchasing power from those who might be taxed. This might result in an increase in the effective supply of money and an inflationary force but there seems to

be little need to concern ourselves with inflation, particularly if it should bring the nation closer to fuller employment.

Consumers, in general, have not shown any major tendency to refrain from purchasing; but in the durables there has been a weakening. Consumers have tended to shift their buying into the softer goods and services. This has had the effect of reducing the multiplying influences of consumer outlays that require additional plant and equipment.

In another area—private investment—we have noted that there has been a drop, and this for 1961 might be as high as 3-5%. It is encouraging to observe that this decline is not as great as the drop of almost a fifth in the recession of 1957-58.

So far as its foreign trade account is concerned, the United States has been doing well by way of exports. The balance of payments difficulties stem from the invisible items as well as capital investments and the flow of aid and loans.

The Public Sector As a Stimulant

This leaves but one additional sector of the economy that might be relied upon to fill in any gaps in the economy—and this is the public sector. The policy of the Federal Government until recently has been one of reliance on monetary measures more specifically. This involved faith in the rate of interest as the initiating device in stimulating business activity. The thought was present that a lower cost of money would induce entrepreneurs to undertake investment activity which, in turn, would stimulate the economy. What it overlooked was the fact that more than the rate of interest is required. The marginal efficiency of capital, or what the businessman is able to expect on his investment is pertinent, and this outlook has not been very optimistic recently.

Prospects for Economic Growth

It is unlikely that 1961 will show anything like any type of normal rate of growth for the economy. Furthermore, it might be as late as 1963 before the trend line once more is restored. This does not mean that a serious depression is in the offing; rather that the outlook for business will be a sluggish one for some time. Of course, this assumes that there will be no sudden increases in outlays for defense, wars or other unusual activities. But, if the economy is to generate signs of substantial activity and growth at present, it is almost a positive conclusion that fiscal policy will be called into active play. This means that deficit financing will be utilized to stimulate production, consumption and growth. There is little likelihood that tax reduction will be used to increase the flow of money. This is a slower process than the direct outlay of Federal funds.

Although there are some signs of slight improvement, too many of the sensitive indicators of business activity are at discouraging levels to indicate any substantial rise in business activity this year, although the improvement should be rather evident by late summer or early autumn. For the year, it is unlikely that industrial output will be more than a few points above its present level. Steel will have a very good year if its total production hits 100 million tons, thus calling for an operating ratio of less than two-thirds of capacity. The automobile industry probably will be fortunate if it sells 5.5 million domestic models, in addition to between 300,000 and 400,000 foreign cars. A similar situation of only slight improvement, if that, prevails with regard to most consumer durables—appliances of all types, furniture and household goods and household repairs.

Stating automobile production in terms of units clouds one of the factors of derived demand for steel since the compacts use less steel per unit than the former larger vehicle. This is one further example of the nature of the intricate inter-relationships that exist between industries; a change in one does not generate a predictable change in others. Instead, all sorts of multiple chain reactions are instigated. Railroads will be demanding less equipment, petroleum companies will buy less materials and consumer durable manufacturers will shorten their demand for products—all of these things react to deaden the demand for steel. But, even if steel does pick up a bit, this will mean hardly any increase in employment since improved technology and management will enable this increased output to be produced with less than a proportionate increase in the labor force.

When it comes to consumer non-durables and services, increases can be expected throughout 1961, with retail trade gaining as much as $3 to $4 billion.

One might question the wisdom of firms engaging in any type of plant and equipment expenditure programs in view of the rather plateau nature of business prospects for the short run. The answer rests primarily in the cost consciousness of most firms today. Many firms are being forced into capital outlays in order to maintain an efficient operation and to continue to use obsolete equipment would place them at a serious disadvantage not only in domestic markets but in international ones as well. In addition, the pressure on some firms as a result of research and development outlays by others forces many into a competitive cycle of outlays that will increase capacity still further in spite of current excess capacity. The hope is that the future demand will utilize this capacity. There is reasonable assurance that this capacity will be required during the decade of the 1960s, and so the longer run considerations may offset the short run ones that indicate a contraction. Once again, the necessity for stimulating demand is apparent.

Expects Federal Spending Instead of Tax Cuts

All signs seem to indicate that the present Federal Government will try to initiate any program in its power that will stem any deepening of the recessionary influences. As indicated above, these will probably center around the fiscal operations of the budget, and here primarily spending, with less reliance on tax cutting. Federal outlays have a way of acting quickly in stimulating activity, but great care must be exercised in the manner in which they are utilized. There is the ever present possibility that running a Federal deficit of $8 to $12 billion might re-generate a number of inflationary forces.

At the present time, there is little fear that inflation is eating up increases in GNP. This is evidenced by the rather stable behavior of the consumer price index over the last few months—in fact, a slight dip is apparent. But, there seems to be enough gap in the economy and enough goods in the pipelines as well as production capacity, that inflation should not become a serious problem in spite of any governmental programs at least for the balance of 1961 and most of 1962.

Gross National Product for 1961

The Gross National Product, representing the total value of all the goods and services produced during the year, already has been pointed to as a key indicator of business activity. The total for 1961 at the outside will probably be less than $10 billion in excess of that for 1960, but more than likely will increase by only about $7 billion to approximately $510 billion. The 1960 figure as estimated by the Department of Commerce was $503.2 billion, for an increase in current dollars of $21.1 billion. This estimated increase is about 1.3% and does not account for any increase in prices which might wipe out as much as half of the advance. GNP will continue to advance throughout the year, possibly reaching a level of about $520 billion during the last quarter from a rate of $495-496 billion for the first quarter.

More specifically, the major components of GNP might be expected to line up something like the following for the year: Consumption expenditures of about $334 billion or an increase of about $7 billion over 1960. This component will continue to serve, but in a less forceful manner, as one of the sustaining elements in the economy. However, its major impetus will be directed towards the non-durables and services, including food, clothing, amusements, medical care, recreation and many personal services. Little change can be expected for the "big ticket" items. One of the unfortunate results from this situation is the lessened secondary and other repercussions on further employment. Consumers might be expected to spend as much as $4-5 billion less on durables in 1961.

Gross private domestic investment will be a laggard in 1961 and should drop substantially below the 1960 level of about $72.8 billion. In fact, a level of $65 billion probably would be considered as doing well. Reductions in inventories and plans for new plant and equipment are the major causes of this decline. This drop becomes so serious when it is recalled that the real heart of the American enterprise system receives its stimulus from these types of outlays. Inventory declines, alone, will account for between $5-6 billion of this drop.

Expenditures by all units of government can be expected to rise by about $8 billion, reaching a total of approximately $108 billion. This total is estimated on the assumption that the Federal Government will undertake no unusual programs of deficit financing. It is possible that this total could advance by as much as $7-10 billion if the recessionary influences deepen and the Federal Government undertakes a more elaborate program of compensatory fiscal spending. Most of the present increase will come in certain types of national security outlays, health, education and transportation.

A final impetus to GNP of about $3 billion should arise out of our merchandise exports exceeding imports by that amount. This does not represent the balance of payments, which will continue unfavorable by just about the same amount.

The real problem of 1961, thus, is not one of deep depression nor of inadequate purchasing power, but rather a lack of incentive on the part of industry to fulfill its obligations as a stimulus of investment thereby generating jobs and purchasing power. Consumer disposable income, in fact, might rise between $3-5 billion over its 1960 level of $354.2 billion. The direction then is clear. The responsibility on the part of the government for a dynamic fiscal policy becomes increasingly grave. It should be geared in the direction of increasingly improving the opportunities for investment and the future expected profit — the marginal efficiency of capital. Lowering of the cost alone of money is insufficient. It should be hoped that the tax policies will not curtail investment opportunities. Government spending may become necessary but it should be remembered that this type of economic stimulus is a second alternative to stimulating the economy; it is the aspirin type of relief and leaves the real therapy for the future.

But, the government cannot overlook its responsibility and until the industrial mechanism begins to operate at levels nearer those of full employment, the government will be forced to act. And it appears that governmental spending, deficit financing and the consequences of same will be with us not only in 1961 but in the years to come and in the many small recessions that will plague us every few years.

General Sales Common Marketed

Joseph Nadler & Co., Inc. and J. K. Norton & Co. announced on April 18 that their offering of 116,500 shares of General Sales Corp. common stock at a price of $2 per share has been oversubscribed and the books closed.

Net proceeds from the financing will be used by the company for additional working capital, inventories and facilities for its Portland, Oregon, discount center; to repay funds advanced for the same purposes at its Salem, Ore., center, and to provide working capital for General Sales Acceptance Corp. (a subsidiary) for credit sales to member customers. The balance of the proceeds will be used to open a new store in Eugene, Ore.

General Sales Corp., Portland, Ore., owns and operates two discount merchandising centers located in Portland and Salem, Ore., and formerly conducted a drapery and bedspread business in New York City and Newark, New Jersey. The company also owns G. E. B. S. Co., formerly known as Government Employees Buying Service, and it has recently established General Sales Acceptance Co. for the purpose of providing installment credit for the members of the company's discount merchandising centers. The company's two discount centers are operated on the closed-door membership system, which is one of the recent developments in retail merchandising and which has grown in the West. Membership in the company's stores and the right to purchase merchandise are restricted to customers of the predecessor business and enrolled union members and government employees, each of whom has purchased permanent membership from the company.

For the nine months ended Dec. 31, 1960, the company and its subsidiary had consolidated net sales of $500,145.

Hydro-Elect. Stock Is Sold

Amber, Burstein & Co., Inc., Armstrong & Co., Inc. and Bernard L. Madoff have sold an issue of 150,000 shares of Hydro-Electronics Corporation at $2 per share.

Generally, the company is engaged in the manufacture of precision tools and component parts for such tools, as well as prototype products made to very close tolerance measurements from plans and designs furnished by its customers or prepared by itself. The company serves many agencies of the government and the Space Exploration Program as well as private companies.

Monmouth Investors Open

OCEANPORT, N. J.—Joseph R. Cordaro is engaging in a securities business from offices at 138 Main Street under the firm name of Monmouth Investors Company.

New du Pont Branch

SHREVEPORT, La. — Francis I. duPont & Co. has opened a branch office in the Petroleum Tower Building under the management of William W. Lowry.

Winston-Muss Units Offered

Public offering of $9,000,000 of 6½% convertible subordinated debentures due 1981 and 400,000 shares of common stock of Winston-Muss Corp. was made on April 18 by an underwriting group headed by Lee Higginson Corp. The securities were offered in units consisting of $22.50 principal amount of debentures and one share of common stock. The price per unit was $25.

The debentures will be convertible into common stock at any time on and after Aug. 1, 1961, and prior to maturity, unless previously redeemed, at $11.25 per share. They are entitled to an annual mandatory sinking fund sufficient to retire $500,000 principal amount, and to an optional sinking fund sufficient to retire up to $500,000 additional, in 1964 and each year thereafter to and including 1980.

The debentures are redeemable other than for the sinking fund at prices ranging from 104½% to the principal amount. The sinking fund redemption price is 100%.

Winston-Muss, which was incorporated in January 1961, will engage in the planning and execution of large scale property development and construction projects throughout the United States, operating for its own account the income-producing properties. It will acquire the stock or certain assets of certain corporations controlled by Norman K. Winston, Davis Muss and some of their associates, including two corporations controlled by trusts created by Clint W. Murchison, Texas financier.

Since 1949 Messrs. Winston and Muss and associates have completed development and building construction at a cost of over $145,000,000, including three shopping centers, residential communities with a total of more than 4,600 houses, and 12 apartment communities having a total of 9,502 dwelling units.

Predecessor companies of Winston-Muss Corp. for the seven months ended Dec. 31, 1960, had total income of $22,986,848 and pro forma net earnings of $4,950,315.

F. I. C. B. Offers 9-Month Debens.

The Federal Intermediate Credit Banks offered on April 19 a new issue of approximately $215,000,000 of 3% nine-month debentures dated May 1, 1961 and maturing Feb. 1, 1962. Priced at par, the new issue is being offered through John T. Knox, Fiscal Agent, and a nationwide group of securities dealers.

Proceeds from the financing will be used to refund $156,200,000 of 3.30% debentures maturing May 1, 1961, and for lending operations. The following issues were also reopened and sold at the market at a net price, $2,000,000 of 3.35% maturing July 3, 1961; $5,000,000 of 3.15% maturing Sept. 5, 1961; $5,000,000 of 2.95% maturing Nov. 1, 1961.

Mittell-Keizer Formed

BOSTON, Mass. — Mittell-Keizer, Inc., has been formed with offices at 19 Congress Street as successor to the investment business of Keizer & Co., Inc. Officers are David P. Mittell, President, Sophie Keizer, Treasurer and E. E. Mittell, Clerk.

Amos Sudler Branch

COLORADO SPRINGS, Colo. — Amos C. Sudler & Co. has opened a branch office at 415 North Tejon under the management of Leonard Bestgen.

Is Growth Stock Syndrome Disappointment Tomorrow?

Continued from page 1

held him partly responsible as a pied piper who had led his followers to disaster. In fact, however, his entire argument was based on a fundamental premise which should have saved his readers from just such a disaster. In discussing common stock investment, he used these words: ". . . not with the thought of immediate speculative gain, but with the sober-minded purpose of providing (1) consistency of income, and (2) safety of principal." Were he writing today, I think it fair to suppose that he might have added a third condition, namely, reasonable yield. There must have seemed little reason for such a stipulation in 1924 since, although high grade bonds yielded some 5½%, stocks provided an income 20% to 30% greater on the average.

So much for Edgar Lawrence Smith. His message was the long-term investment merit of common stocks. I think we have learned it well.

The second book is quite different and if you question its relevance to a discussion of investments, please bear with me for a moment. This is an old book, first published in 1841, and a big one of more than 700 pages. It is called "Extraordinary Popular Delusions and the Madness of Crowds," by one Dr. Charles Mackay. This remarkable volume describes in vivid detail examples of human conduct, ranging from the tulip mania in Holland to the South Sea bubble, so irrational by hindsight as to tax the credulity of the present-day reader.

Tulip Mania and the South Sea Bubble

Imagine for instance the speculation in tulip bulbs which swept and pauperized much of Holland in the 1630s. The bulbs were originally sought by collectors and wealthy horticulturists just as rare roses or orchids are now prized. But as prices for choice species rose, storekeepers, chimney sweeps, footmen and maids plunged into the markets which sprang up solely for the accommodation of speculators in tulips. Single bulbs changed hands for the then equivalent of £280 sterling. I will not even attempt to convert this figure into 1961 dollars. In any case vast fortunes were made and as quickly lost when finally it became clear that prices bore no relationship to the intrinsic value of tulip bulbs.

The account of the South Sea bubble and the related security speculation in England is perhaps more pertinent to this paper today. About 100 years after the affair of the tulips there occurred the speculative boom and collapse in the shares of the English South Seas Co. which gave the name "bubble" to some 80-odd similar incidents which followed. Stock companies were formed for any and every conceivable purpose and shares were sold to the eager public after which, quite frequently, the promoters absconded. In other cases, the companies were allowed to cling to life while the shares were bid ever higher by a populace swept up in speculative fever.

Among the long lists of such enterprises described by Mackay were companies formed to pave the streets of London, to assure seamen's wages, to improve the art of making soap, to construct a wheel for perpetual motion, and finally, "to carry on an undertaking of great advantage but nobody to know what it is." The man of genius who devised this latter scheme offered for sale 5,000 shares of stock at £100 each. Any subscriber who paid an initial deposit of £2 per share would be entitled to annual profits of no less than £100 per share. During the firsts few hours of the public offering 1,000 shares were subscribed for, whereupon the promoter departed for the Continent richer by £2,000.

It is interesting to ponder whether, had this volume been written in 1941 rather than 1841, a chapter might have been added describing the American stock market speculation of the late 1920s.

If Dr. Mackay's book has any message for us after 120 years, it is to point out how irrational can be the behavior of otherwise sensible men when they become caught up in a wave of popular enthusiasm for some cause or concept. From a practical standpoint he has stated very clearly the conditions under which common stocks should be sold or at least should not be bought. My purpose in dwelling so long on the subject is not to suggest any necessary parallels with conditions of today but merely to offer a reminder of easily forgotten truths and easily overlooked dangers. And these truths do have an application to the problems faced today by the investment officer charged with the responsibility for management of trust accounts.

Changed Investment Thinking

It is interesting to recall how investment thinking has changed with respect to the use of common stocks in trust accounts over a period as recent as the last 10 years. Only 10 years ago, for example, trustees were first authorized to buy common stocks in legal trust accounts in Pennsylvania. This was at a time when the best common stocks could be bought to yield as much as 6% or more than twice the income return provided by the highest-grade bonds. The shift to stocks which accelerated about that time was made initially for the purpose of improving income. This income differential was considered to be an entirely proper inducement to accept what were widely recognized to be the greater risks inherent in the ownership of common stocks. Since that time we have had a great bull market in stocks and a bear market in bonds of somewhat lesser proportions so that today it is necessary to accept an income penalty of as much as 50% in order to enjoy the benefits of common stock ownership.

As is well known to all of us who have occasion to consult customers on investment matters, growth has now become the primary object of the average investor's interest. We are told time after time that in Aunt Mary's trust or in Uncle Joe's trust income is of no importance. I suspect that this disinterest in income will persist only as long as common stocks continue to provide rapid appreciation in principal, or perhaps I should say until a market break not only raises questions about the assurance of further growth but wipes out much of presently existing values. At that point we will be urged to sell out such stocks, perhaps at a loss, in order to provide greater current income for the beneficiaries.

Evidence of investors' appetite for stocks which it is hoped will grow is to be found in many places. The New York *Times* regularly publishes a summary of the price performance of recent stock issues and one of these small charts caught my attention recently. Seventeen recent stock issues were listed and the fact that few of the names were familiar to me has no significance. These issues had been outstanding for periods ranging from two or three days to several weeks and every single one was selling above the issue price. The largest gain shown was 287% and there were five other issues which had risen by 100% or more. In fact, the average gain for all 17 issues was exactly 100%.

My point can be made, however, without reference to new issues of relatively small companies. Any one of us could quickly compile a portfolio at least quasi-investment grade stocks which are selling at anywhere from 50 to 100 times current earnings. The London *Economist*, in commenting on this phenomenon last summer, had this to say:

"Some of the groups favored by institutional investors, including electrical equipment, drugs, office machines and chemicals, sell at 15 to 20 times earnings to yield between 2% and 3%. The growth stocks embracing the electronics, leisure and sports activities, sell at anywhere from 30 to 100 times current annual earnings and often provide little or nothing in dividend yield.

"Enthusiasts of growth stocks do not consider these astronomical ratios a deterrent and they have rationalized their enthusiasm. Some of them start with the empirical view that earnings per share of industrial companies grow at an average annual rate of 4% and that therefore investors are willing to pay an average of 16 times earnings for this rate of growth; where earnings promise to grow at an annual compound rate of 50% for the next five years a share can then reasonably sell at 100 times current earnings. This represents 13 times its projected 1965 earnings.

"But the current craze for growth may founder just because it is now becoming so undiscriminating. Few stocks have a chance to live up to the high hopes and higher prices that investors are putting on them."

Let me make it clear at this point that I yield to no one in my belief in growth as a valid investment objective. Regardless of the type of account with which we may be dealing at the moment I think that we fail to do our job properly if we do not invest the funds at our disposal in a way which we can expect to protect the beneficiaries from inroads on the purchasing power of the dollar. The burden of my remarks, however, concerns the manner in which this objective of growth in value is to be pursued. It seems to me that consideration of this problem involves two major factors.

The Basis for Growth

In the first place, let us consider what are the ingredients of growth in common stocks. It seems obvious to me that price changes over any period of time are a function of changes in (a) earnings and (b) the price earnings ratio. Of the two, rising earnings is the true growth factor since the dramatic effect of an expanding price earnings ratio is, at least to some extent, non-recurring. Let us take one or two specific examples. E v e r y o n e knows that International Business Machines is a growth stock. Earnings per share over the past 12 years have grown at a compound rate of about 15% annually which is far better than the average rate shown by American industry in general. The rate of gain in mean price of the stock over these years, however has been closer to 25% per annum. Had the price earnings ratio of IBM remained constant since 1948 the average price in 1960 would have been about $160 per share instead of the actual figure of $672 per share. During the same period the mean price of Standard Oil Company of Indiana has risen from 21 to 42, almost entirely as a result of expansion in the price earnings ratio since earnings in 1960 were only about 6% higher than those recorded some 10 to 12 years ago.

The point of all this is that the investor who buys IBM today expecting to enjoy in the next 10 years a repetition of the 20-fold price gains recorded over the past decade is saying to himself that one of two things will occur. Either the rate of earnings growth will accelerate from the historical rate of 15% to 35% per annum, or the price earnings ratio will increase from the current level of about 70 to more than 200 times. If one can satisfy himself that either one or some combination of these circumstances will occur, then a 20-fold price increase by 1970 is a reasonable expectation.

As a general proposition, however, if stocks are purchased for growth at price earnings ratios which are high by any historical standards, the investor is in effect denying to himself the principal avenue to success, namely, an expansion of the price earnings ratio. It is a truism perhaps worth restating that trees do not grow to the sky.

Problem of Selecting Growth Stocks

A second problem in growth stock investing, strange as it may seem, lies in the identification of the growth stocks themselves. Let us consider this difficulty for a moment.

Most would agree that the prospect of secular gain in the fundamental factors of basic value, with primary emphasis on earnings, is what the growth stock investor seeks. It is assumed that, given growth in basic value, price growth will follow. Furthermore, the higher the rate of growth forecast or expected, the higher the price one reasonably may pay for a dollar of current earning power.

Note that estimates of **future** growth are an important factor in this doctrine. Such estimates almost invariably rely heavily on trends of the recent past and some analysts would, in fact restrict their search for growth stocks to companies which have recorded successive earnings gains for the past three or five years. This brings one to the proposition that growth stocks are stocks which **have grown** in the past. Since it has been agreed that price gains can be expected to accompany growth in basic value, it becomes a simple matter to identify growth stocks merely by consulting price tables for whatever period of past years may appeal to the analyst.

This technique would have led the practitioner to purchase IBM and Minnesota Mining at any time over the past 10 years at least, up to and including the present, with very satisfactory results. It would also have led him to purchase Rohm and Haas at 780 (recent price 501), Outboard Marine at 40 (recent price 21), Amerada at 148 (recent price 55), Aluminum Company of America at 134 (recent price 61), and Ampex at 42 (recent price 20). What has happened in these latter cases to change the expectation of large profits to the realization of losses averaging close to 50%? The answer is not hard to find.

We have seen that the selection of growth stocks relies heavily on a projection of the trends of the past, and as Dr. Mackay's book teaches, human beings in groups have an almost irresistable propensity to project such trends into the indefinite future. Application of this psychology to common stocks frequently results in price levels which do not take into account and cannot withstand the possibility, and even the likelihood, of short term interruptions in even the most stable and pronounced long term growth trend.

My remarks on this point have been rather general but I would invite attention to some research on the selection of growth stocks which deserves attention.

Case for Buying Low P/E Stock

One study, by Francis Nicholson of the Provident Tradesmens Bank and Trust Co., in Philadelphia, I will describe only briefly since it appeared in the July-August 1960 issue of the *Financial Analysts Journal* under the title "Price-Earnings Ratios." Mr. Nicholson examined the price performnace of a large number of stocks during the period from 1939 to 1959 and concluded that "on the average, the purchase of stocks with low price-earnings multiples will result in greater appreciation . . ." (than will the purchase of stocks with high multiples). If this conclusion has application to the periods other than the one covered by the study it would suggest that the greatest current opportunities for gain are to be found not among the generally recognized growth stocks but in areas where values are being modestly appraised and where the investor may have an opportunity to enjoy not only rising earnings, but rising price-earnings ratios as well.

Another interesting investigation along these lines was made by Elliott Farr, Vice-President in charge of investment research at my company.

Do Growth Stocks Do Better Than Income Ones?

Some may remember an article by Robert Anderson entitled "Unrealized Potentials in Growth Stocks," which attracted considerable attention at the time of its publication in the March-April 1955 issue of the *Harvard Business Review*. Mr. Anderson, an investment advisor, set forth the results which would have been achieved over the years 1936 through 1954 by an investor who had bought and held a list of 25 growth stocks, compared to the results of investing in 25 "stable income stocks." Since the growth stocks were selected in 1955 largely on the basis of their actual performance during the 18-year test period, it might be expected that their performance would have been superior to that of stocks which did not meet the growth criteria. This was in fact the case. Including in each instance reinvested income, the growth stocks achieved a gain of 514% during the period compared to gains of 304% for the "income" stocks, and 400% for the Dow-Jones Industrial Average. It was made clear throughout the article that such results might be achieved by the long-term investor who adopted "an extremely long view and a willingness to disregard even major fluctuations in market prices provided the outlook for the company in question indicates sufficient growth to support eventually a substantial appreciation in the price of its shares."

Mr. Farr carried forward for six additional years, from 1954 to 1960, the price performance of Anderson's two groups of stocks with quite surprising results. During this subsequent period of six years the average of the income stocks rose 83% in value compared to 70% for the growth stocks. Including dividends, the income stocks gained 116%; the growth stocks 94%. The median income stock rose 55%; the median growth stock rose 31%. Of the income stocks, 88% gained 50% or more; of the growth stocks 50% did this well. Less than half of the growth stocks did as well as the Dow-Jones Average.

This result is surprising only at first glance. Examination of the two lists discloses that some of the growth stocks of as recent a year as 1955 are no longer so considered. American Can, for example, and Amerada, National Steel and Johns Manville. At the same time, the 1955 list of income stocks contains General Foods, Borden, Sterling Drug, American Electric Power, Procter & Gamble, and Reynolds Tobacco. In the first instance, a premium placed

on past growth evaporated when the growth was interrupted. In the second, prices responded not only to growth, but also to the expanding price-earnings ratios which went with it.

In addition to the conclusion previously reached by Mr. Nicholson, Farr observed that:

(1) An apparent growth pattern for a company or an industry may not persist.

(2) In the event that a high price earnings ratio is paid for growth, and a change occurs in the apparent trend, the loss potential is great.

(3) If a modest multiple is paid for a sound stock the risk of loss is moderate and the potentiality of gain is large if growth subsequently develops.

(4) A larger part of the profit in growth stocks is due to a change in the price earnings ratio than to a change in earnings themselves. Thus, capital gains are primarily the result of recognition; purchase after such recognition may be too late.

One final observation on the identification of growth stocks. With the benefit of our present knowledge of the great contribution made to our lives by electricity during this century, guess the amount of earnings gain recorded by the electrical equipment industry leader, General Electric, from 1902 to the end of World War II. The actual gain was only about 30%, from $0.40 per share to $0.52 per share.

Problems in Buying Growth Stocks

These, then, seem to me to be the problems in buying popular growth stocks:

One first must attempt to rationalize the high price earnings ratios which are powerful evidence that the growth prospects have already been recognized and discounted by the market. This done, there remains the task of weeding out of the list of possible investments, those growth stocks of yesterday and today which will turn out to be the disappointments of tomorrow.

I have stated my endorsement of the objective of making our own and our clients' money grow. I will grant also that the difficulties involved in achieving this through the purchase of glamor-type growth stocks appear not to be insurmountable since I know of more than one investor who has employed the technique with great success. On the other hand, I find that these difficulties are very real ones to me personally and to others whose investment efforts involve trust accounts where an eye must be directed to the risks as well as to the possible or probable rewards.

How then is growth to be achieved if not through the purchase of growth stocks? I would suggest two alternative methods.

One way is to search out and buy issues of small companies which will be the growth stocks of tomorrow before they are recognized as such by the market. I know from my own experience that this is both difficult and possible to do. About five years ago we were asked by an interested party to buy 100 shares of Texas Instruments then selling at 14 for a trust account. This we did with the result that the original investment has since increased more than ten-fold. At the time this was truly one of tomorrow's growth stocks, then selling at a relatively reasonable appraisal of its prospects.

There are two sequels to this story. First, the source of our customer's information was not personal research, or some other investment counselor, but a chance acquaintance in the bar car of the Super Chief en route to Los Angeles. Secondly, one might expect that having been exposed to this opportunity so early in the game, many of our trusts and all of our officers' personal accounts became owners of Texas Instruments at very low prices. Unhappily, such was not the case. Although we satisfied ourselves that the stock was of investment quality, we completely failed to discern anything in the situation which would cause us to recommend the stock for purchase. This technique probably has limited application to trust accounts.

Purchase Values Out of Market Favor

The other way in which I suggest growth may be sought is simply the purchase of value even though this frequently means investing in companies or industries which are at the moment out of market favor. In my organization we have had the experience repeatedly of buying stocks like Campbell Soup, General Foods, Procter & Gamble, Merck, Carpenter Steel and others because they appeared to offer sound value and a reasonable yield, only to discover a year or so later that our money had been doubled after the market had identified these issues as growth stocks and applied a price earnings ratio appropriate to that status. These experiences merely support the premise stated by a very successful customer of a New York brokerage firm in describing his investment philosophy. It is his practice he said to sell stocks whenever they become market favorites and to purchase others not then in fashion.

I believe firmly that this avenue to growth has not only a logical foundation, but also the likelihood of success with relatively limited risk and the prospect of a reasonable yield on the funds so employed. Beyond this, it offers the investment officer an opportunity for the exercise of his talents wihch is more stimulating, at least to me, than a policy of merely following the crowd.

I commend this emphasis on value for consideration, and I believe it will be rewarding.

*An address by William B. Eagleson, Jr., before the Pennsylvania Bankers Association Trust Conference at Harrisburg, Pa.

Ind. Telephone Common Offered

An underwriting group headed by Burnham and Co. offered for public sale on April 19, 350,000 shares of Independent Telephone Corp. common stock at $9 per share.

Proceeds from the offering will be applied by ITC to the repayment of certain bank loans, for additional investments in and advances to operating subsidiaries and for general corporate purposes.

Independent Telephone Corp. began operations as a holding company in early 1956, and it currently controls 12 subsidiary telephone operating companies. These companies are located in New York, New Jersey, Michigan, West Virginia, and Florida. Four affiliated telephone operating companies are currently under option to ITC, and the company intends to continue broadening its position in the independent telephone field through acquisition of additional companies.

For the year ended Dec. 31, 1960, ITC reported consolidated total operating revenues of $1,573,589, and consolidated net income applicable to common stock of $96,566.

Zilka, Smither Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—John P. Temple has been added to the staff of Zilka, Smither & Co., Inc., 813 Southwest Alder Street, members of the Pacific Coast Stock Exchange.

STATE OF TRADE AND INDUSTRY

Continued from page 4

their buying rate. Others have dropped long-term inventory reduction plans.

Rush orders, particularly from miscellaneous users, continue to increase. This indicates a relatively weak inventory position. Gains in warehouse purchases, plus rush orders from automakers, could push small customers back a couple of days on mill schedules. Few can afford it.

Oil producers provide another example of the dangerously low level of inventories. They say they will order 30% to 60% more pipe this year than last to drill about the same number of wells. Both jobbers and producers admit they have cleaned out inventories.

Even without any significant increase in actual steel usage, steelmaking operations could reflect higher operating rates as more and more customers feel the pinch of delivery delays.

Growing Volume of Orders to Cause Rise in Steel Output This Week

Steel production will move up again this week to meet the growing volume of orders from customers, including the automotive industry, *Steel* magazine said.

It believes output will substantially exceed the 1,720,000 tons the industry poured in the week ended April 15. It's the first time that production has gone above 1.7 million tons since the week ended June 25, 1960.

Steel bases its prediciton primarily on developments in the Youngstown district. Youngstown Sheet & Tube Co. expects to start up its Brier Hill Works this week after a three week close down for construction work on rolling mills. And Sharon Steel Corp. has an additional open hearth at work.

Other districts also are stepping up operations. Two more open hearths were put into operation in the Buffalo district. At least one more blast furnace has been added in the Detroit district. Kaiser Steel Corp. in the Western district has increased its production by nearly 1,000 tons a day.

Scrap, a raw material for steelmaking, weakened pricewise and pushed down *Steel's* price composite on No. 1 heavy melting material 17 cents to $39.50 a gross ton.

Recent price reductions in a few steel products do not presage a general weakening of the industry's price structure, the metalworking magazine says.

Stainless steel producers have trimmed prices on some products to narrow the gap between their quotations and those of foreign mills. Price reductions in galvanized conduit reflect increasingly stiff competition from other materials.

The price cuts are not likely to spread to tonnage products—carbon sheets, bars, plates, structurals, or pipe—for several reasons, foremost of which is the profit squeeze. Employment costs have gone up $5 a ton since the last steel price increases in 1958, and productivity gains haven't kept pace.

Earnings may improve moderately in the second and third quarters, but there's another wage hike in the offing. Employment costs will go up $2 to $3 more per ton on Oct. 1, as agreed in the wage package negotiated in January, 1960.

Because of the increasing pressure from competitive materials — nonferrous metals, plastics, paper, and wood — steelmakers will think twice about raising their prices even when demand strengthens appreciably. The availability of low priced imported steel, even in small quantities, will be a continuing deterrent.

President Kennedy's new defense program has jolted the market for columbium, a major refractory metal, *Steel* reports.

Better than 90% of it has been going into work on an atomic airplane. Now that project is dead for all practical purposes.

Demands of the project doubled columbium metal production in 1960 and would have led to a modest increase this year.

For the time being, columbium's earliest chance for growth seems to be as an alloy in steelmaking (ferrocolumbium and ferro tantalum-columbium) rather than as a metal.

Steel Production Data for the Week Ended April 15

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960, over-all productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data:

Production for week ending April 15, 1961, was 1,748,000 tons (*93.8%) change from previous week's 3.1% increase and output of 1,696,000 tons (*91.0%).

Production this year through April 15, amounted to 23,402,000 tons (*83.7%), or 40.4% below the 39,292,000 tons (*140.6%) in the period through April 16, 1960.

The Institute concludes with Index of Ingot Production by District, for week ended April 15, 1961, as follows:

	*Index of Ingot Production for Week Ending April 15, 1961
North East Coast	103
Buffalo	88
Pittsburgh	86
Youngstown	70
Cleveland	91
Detroit	106
Chicago	96
Cincinnati	87
St. Louis	112
Southern	102
Western	113
Total industry	93.8

*Index of production based on average weekly production for 1957-59.

Auto Output for Week Ending Apr. 14 Showed a 20.1% Jump Over Last Week

U. S. passenger car production this week climbed to the highest level of 1961 as the nation's five major automakers appraised upturning sales, dwindling dealer stocks and enlivened competition.

Ward's Automotive Reports said that with 43 of the industry's 48 auto assembly plants operative, output this week reached 112,551 units, a 20.1% jump from 93,730 cars produced last week and equal to 83% of the 135,402 assemblies in the same week a year ago.

The statistical agency said that U. S. truck making this week totaled 23,698 units, only a slight increase from 23,448 last week, but less than 10% off the comparable 1960 week in which 25,681 trucks were turned out.

Total U. S. vehicle production this year was 1,000,000 units behind the 1960 pace as of April 14, the reporting service noted.

Ward's said that three passenger car plants, Ford's Falcon-Comet site at Metuchen, N. J. and its Wixom, Mich. Lincoln-Thunderbird facility, and Chevrolet's Willow Run Corvair plant were scheduled for Saturday overtime work. Ford's Louisville truck plant was also on a six-day program, and International Harvester scheduled 10-hour shifts.

Chrysler Corp. closed its Dearborn, Mich. Imperial plant for the week, along with Dodge-Plymouth operations in Newark, Del. and St. Louis; Ford closed standard passenger car sites in Dearborn and St. Paul, but both companies planned less "down-time" next week. General Motors, which effected general cutbacks in three divisions last week, was completely active this week. American Motors Corp. worked a full five days at Kenosha, Wis. and Studebaker-Packard Corp. maintained a four-day schedule at South Bend.

Several new compact car models were scheduled to roll off production lines next week, accenting sports car styling and, withal, acknowledging the industry's expectations for a continuing sales upturn.

Of the week's output, General Motors accounted ofr 54.86% of passenger cars; Ford Motor Co. 28.72%; Chrysler Corp. 9.15%; American Motors 6.13% and Studebaker-Packard 1.44%.

Electric Output 6.0% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 15, was estimated at 14,434,000,000 kwh., according to the Edison Electric Institute. Output was 252,000,000 kwh. above that of the previous week's total of 14,182,000,000 kwh. and 817,000,000 kwh., or 6% above that of the comparable 1960 week.

Freight Car Loadings in Week Ended Apr. 8 Were 15.8% Below Same 1960 Week

Loading of revenue freight in the week ended April 8, 1961, totaled 505,930 cars, the Association of American Railroads announced. This was a decrease of 94,817 cars or 15.8% below the corresponding week in 1960, and a decrease of 113,338 cars or 18.3% below the corresponding week in 1959.

Loadings in the week of April 8 were 13 cars above the preceding week.

There were 11,126 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended April 1, 1961 (which were included in that week's over-all total). This was a decrease of 141 cars or 1.3% below the correponding week of 1960 but an increase of 3,054 cars or 37.8% above the 1959 week.

Cumulative piggyback loadings for the first 13 weeks of 1961 totaled 134,107 for a decrease of 326 cars or two-tenths of one per cent below the corresponding period of 1960, but 41,093 cars or 44.2% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 51 one year ago and 47 in the corresponding week in 1959.

Intercity Truck Tonnage for Week Ended Apr. 8 Was 3.5% Below Same 1960 Week

Intercity truck tonnage in the week ended April 8, was 3.5% less than that of the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was more than 2% ahead of the volume for the previous week of this year—up 2.4%.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments Were 4.9% Behind 1960 Volume

Lumber production in the United States in the week ended April 8, totaled 218,881,000 board feet, compared with 203,642,000 board feet in the prior week, according

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to reports from regional associations. A year ago the figure was 260,035,000 board feet.

Compared with 1960 levels, output declined 15.8%, shipments dropped 4.9%, and orders fell 0.5%.

Following are the figures in thousands of board feet for the weeks indicated:

	April 8, 1961	April 1, 1961	April 9, 1960
Production	218,881	203,642	260,035
Shipments	241,770	229,551	230,375
New Orders	253,120	268,728	254,432

Wholesale Food Price Index Down Fractionally in Latest Week

Although there was a fractional decline this week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., it somewhat exceeded that of a year ago. On April 18 the index stood at $6.02, down 0.2% from the week earlier $6.03, but up 0.7% from the $5.98 of the corresponding 1960 date.

Higher in wholesale cost this week were corn, oats, barley, butter, cocoa and lambs. Commodities quoted lower were flour, wheat, rye, bellies, lard, coffee, cottonseed oil, eggs, steers and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down Slightly From Prior Week

There was a slight decline this week in the general wholesale commodity price level, reflecting lower prices on some grains, flour, butter, hogs and steel scrap. The daily wholesale commodity price index, complied by Dun & Bradstreet, Inc., stood at 269.16 (1930-32=100) on April 17, compared with 269.62 a week earlier and 275.30 on the corresponding date a year ago.

An appreciable decline occurred in wheat prices during the week, reflecting light trading and ample supplies in most markets. The buying of wheat was influenced by prospects of the third largest winter wheat crop on record. In addition sales to flour mills lagged. In line with the dip in wheat prices, rye prices dipped noticeably from a week earlier; rye trading was narrow and stocks heavy.

Although transactions were limited mostly to immediate needs, corn prices remained close to the prior week; however, country marketings of corn were light. Trading in oats was dull and prices showed fractional declines. There was a marked increase in soybeans prices, reflecting good domestic and export buying and relatively low supplies.

Domestic trading in flour was sluggish again this week and prices dipped moderately; there was a slight pick-up in export inquiries for flour from the Middle East and Latin America. Both domestic and export volume in rice was sustained at a high level and prices matched those of a week earlier, rice supplies were limited in many markets. Inquiries for sizable shipments of rice were received from Turkey and the Ivory Coast.

Trading in sugar was light and prices were unchanged from a week earlier. Coffee prices held steady on lagging volume. A slight increase occurred in cocoa prices during the week and volume was sustained at the level of the prior week.

Hog prices dipped moderately, reflecting increased salable supplies and generally sluggish volume. In contrast, prices on steers moved up during the week as trading held steady and receipts in some markets were down. Lamb prices finished unchanged from the prior week, despite a slight dip in volume.

Prices of cotton futures on the New York Cotton Exchange moved irregularly during the week and finished slightly below the prior week.

Business Failures Rise for Week Ended April 13

Commercial and industrial failures ended a three-week decline by turning up to 383 in the week ended April 13 from 343 in the preceding week, reported Dun & Bradstreet, Inc. Casualties ran considerably higher than last year when 308 occurred or in 1959 when there were 304. Some 22% more businesses failed than in the comparable week of pre-war 1939 when the toll was 313.

Failures involving liabilities of $5,000 or more climbed to 344 from 300 a week ago and exceeded appreciably the 267 of this size in the similar week of 1960. On the other hand, small casualties with losses under $5,000 dipped to 39 from 43. Liabilities ranged above $100,000 for 41 of the week's failing concerns as against 44 in the preceding week.

Most of the rise occurred in retailing where the toll increased to 188 from 169 and in construction, up to 72 from 47. While commercial service casualties edged to 35 from 30, contrasting declines appeared among manufacturers, where the toll fell to 64 from 71, and among wholesalers, off to 24 from 26. Mortality exceeded last year's levels, however, in all industry and trade groups except wholesaling.

Six of the nine major geographic regions reported heavier casualties during the week. The toll in the Pacific States climbed to 90 from 71, in the East North Central to 70 from 54, and in the West North Central to 22 from 12. The only marked decline took place in the Middle Atlantic States where failures were down to 94 from 112. There was virtually no change in the South Atlantic States with 41 as against 42 a week ago. All regions except New England had more businesses failing than last year, with the sharpest upswings from 1960 in the North Central, Mountain and Pacific regions.

Twenty-two Canadian failures were reported as compared with 56 in the preceding week and 36 last year.

Post-Easter Retailing Sharply Below 1960 Calendar Week

Despite extensive reduced-price sales promotions, retail trade dipped sharply in the week ended April 19, from both the prior Easter week and the similar calendar week last year, the 1960 Palm Sunday week. However, volume was about on a par with the post-Easter week of last year. On a calendar basis the most noticeable year-to-year declines occurred in apparel, but volume in furniture, appliances and floor covering was down appreciably. Scattered reports indicate that sales of new passenger cars remained below a year ago.

The total dollar volume of retail trade in the week ended April 19 was 12 to 16% below the similar calendar week last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages; East North Central —17 to —21; Middle Atlantic —16 to —20; West North Central —13 to —17; South Atlantic —10 to —14; Pacific Coast —9 to —13; East South Central and Mountain —8 to —12; New England —6 to —10; West South Central —3 to —7.

Nationwide Department Store Sales Down 16% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended April 8, 1961, showed a decrease of 16% below the like period last year. For the week ended April 1, an increase of 6% was reported. For the four weeks ended April 8, 1961, a 1% gain was reported.

According to the Federal Reserve System, department store sales in New York City for the week ended April 8 showed a 17% loss over the same period last year. In the preceding week ended April 1 sales showed an increase of 6% from the same week in 1960. For the four weeks ended April 8, a 1% increase was reported above the 1960 period, while Jan. 1 to April 8 a 2% decrease occurred.

Natl. Bowl-O-Mat Common Offered

An underwriting group headed by Granbery, Marache & Co. made an initial public offering April 19 of 220,000 shares of National Bowl-O-Mat Corp. common stock at $9 per share.

Of the proceeds, $640,000 will be used to retire debts due stockholders, the balance of approximately $1,100,000 will be applied toward the company's expansion program, and for other general corporate purposes.

National Bowl-O-Mat Corp. was incorporated in New Jersey in January 1961 for the purpose of owning and operating through wholly owned subsidiaries, a national chain of centrally managed, modern, automated, air-conditioned bowling centers.

The company owns 12 bowling centers, located in seven states and in Puerto Rico, all acquired in March 1961 through an exchange of stock. Lanes now in operation total 354. Immediate plans call for the addition of 128 lanes through the expansion of existing centers and the creation of new ones.

Bowl-O-Mat centers, in addition to containing modern bowling facilities typically include a snack bar or restaurant, children's nursery, rental lockers, shoe rental facilities and pro shops, where bowling accessories are sold. Certain centers have cocktail lounges or bars. The centers are housed in shopping centers or other up-to-date structures.

For the current fiscal year, it is estimated that approximately 70% of gross revenues will be derived from bowling charges and about 20% of revenues will come from cocktail lounge and bar operations.

Combined income of the company's subsidiaries for the five months ended Jan. 31, 1961 totaled $1,143,721. For the fiscal year ended Aug. 31, 1960 such income totaled $1,314,722 compared with $401,324 for the like 1959 period.

Pro forma capitalization of the company and subsidiaries, as of Feb. 15, 1961 and giving effect to the offering includes $3,133,835 in long-term debt and 713,507 shares of common stock, $1 par value.

E. F. Hutton Co. To Admit Bocklet

On May 1, Charles Bocklet, Jr., will become a partner in E. F. Hutton & Co., 61 Broadway, New York City, members of the New York Stock Exchange. Mr. Bocklet is a partner in Bernard, Winkler & Co.

K. A. Romey Opens

SAN JOSE, Calif. — Kenneth A. Romey is conducting a securities business from offices at 1228 Fairview Avenue.

Women's Bond Club of New Orleans Names Officers for 1961

Left to Right: Miss Elsie Fahrmann, Treasurer; Miss Lucy Crane, President; Mrs. Martine Le Beuf, Vice-President, and Mrs. Vicki Weeser, Secretary.

NEW ORLEANS, La.—The installation meeting of the Women's Bond Club of New Orleans was held on April 22, 1961 at a luncheon aboard the "River Queen." The 1961 officers were installed by Mrs. Dorothy G. McCarthy as follows: President, Miss Lucy Crane, Crane Investment Co., Inc.; Vice-President, Mrs. Martine Le Beuf, Glas & Company; Secretary, Mrs. Vicki Weeser, Dane & Company; and Treasurer, Miss Elsie Fahrmann, Equitable Securities Corp.

Miss Crane, the new President, announced the following Committee appointments:

Arrangements Committee: Mrs. Alice R. McCarthy, Chairman, Newman, Brown & Co., Inc.; Mrs. Winnie Bishop, National American Bank; Miss Elizabeth Gagnet, Frank B. Wood; Mrs. Dee Messina, Howard, Weil, Labouisse, Friedrichs & Co.; Mrs. Rita Scully and Mrs. Ruth Sherman, Merrill Lynch, Pierce, Fenner & Smith and Mrs. Jo Ann Zeringue, Hibernia National Bank.

Membership Committee: Mrs. Mary Addington, Chairman, Arnold & Derbes; Miss Lillie Moore and Miss Norma Young, Howard, Weil, Labouisse, Friedrichs & Co.; Miss Marjory Woods, Waters & Alcus and Miss Doris Kolwe, National Bank of Commerce.

Monthly Publication "Les Gals": Miss Tressie Higgins, Editor, Howard, Weil, Labouisse, Friedrichs & Co.; Mrs. Helen Dupre, Waters & Alcus; Mrs. Celestine Russell, Howard, Weil, Labouisse, Friedrichs & Co.; and Mrs. Carolyn Gertner, Equitable Securities Corporation.

Publicity Committee: Miss Marietta Gagnet, Chairman, Fred N. Ogden; Miss Yvonne Mae Beck, Howard, Weil, Labouisse, Friedrichs & Co.

Federal St. Fund Starts Operations

Securities totaling $153,502,419 have been accepted from 640 investors located in 37 states in exchange for shares of Federal Street Fund, Inc., it was announced on April 18 by George F. Bennett, President of the Fund, and Sidney J. Weinberg, senior partner of Goldman, Sachs & Co., dealer-manager of the group soliciting the exchanges. They attributed the success of the Fund to "the efforts of dealers in all geographical sections of the country."

With the acceptance of these stock tenders, Federal Street becomes the first of the "big exchange funds" to be consummated. Several others are in the process of organization.

The minimum permissible exchange was $50,000. Over one-third of the deposits were between $50,000 and $100,000 and about two-thirds were less than $200,000. About 5% of the deposits were in excess of $1,000,000. The largest single investment by an individual investor exceeded $4,600,000.

The average individual holding in Federal Street Fund is approximately $240,000. Each share was priced at $1,000.

Officers of the Fund include Paul C. Cabot, Chairman, and Mr. Bennett, President. Messrs. Cabot and Bennett are also Chairman and President, respectively, of State Street Investment Corp. and Treasurer and Deputy-Treasurer, respectively, of Harvard College. Invested assets under their direction total over $1 billion.

Other Fund directors include Henry Ford II, Chairman of Ford Motor Co., Charles G. Mortimer, Chairman of General Foods; Herman C. Nolen, President of McKesson & Robbins, and E. E. Stewart, Chairman of National Dairy Products Corp.

The objective of the Fund, according to Mr. Bennett, was not size in itself, although it is starting from scratch with assets of about $154,000,000 and ranks as the 33rd largest investment company in the nation.

The job of assembling the Fund's portfolio was accomplished in a little over two months, Mr. Bennett said, despite the fact that it had to pioneer in the solution of many technical and legal problems.

The purpose, he said, was to attain an economic size sufficient to permit broad diversification in a number of industries rather than undue concentration. In order to attain proper diversification and desired quality, the names of more companies were refused for deposit than were accepted. Exchange offers were still coming in when the final level was reached and tenders terminated.

The seven largest industry holdings of the Fund with the percentage of the portfolio total are: building 8.7, drugs 7.4, electronic equipment 6.5, chemicals 6.3, publishing 6, soap and cosmetics 4.8 and insurance 4.7.

The largest Fund holdings of individual companies on March 24, 1961, the date of the exchange, were: Weyerhaeuser Co., Eli Lilly & Co., General American Transportation Corp., Owens-Corning Fiberglas Corp., and International Business Machines Corp.

The asset value as of April 14, 1961 was $1,027 per share.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Apr. 23	60.0	58.0	54.0	80.9
Equivalent to—					
Steel ingots and castings (net tons)	Apr. 23	1,748,000	1,696,000	1,574,000	2,238,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Apr. 7	7,226,560	7,351,310	7,353,310	7,093,210
Crude runs to stills—daily average (bbls.)	Apr. 7	7,899,000	7,855,000	8,264,000	8,035,000
Gasoline output (bbls.)	Apr. 7	27,980,000	28,708,000	28,534,000	28,680,000
Kerosene output (bbls.)	Apr. 7	2,872,000	2,931,000	3,391,000	2,755,000
Distillate fuel oil output (bbls.)	Apr. 7	11,284,000	11,995,000	12,885,000	12,638,000
Residual fuel oil output (bbls.)	Apr. 7	6,032,000	6,195,000	6,060,000	6,913,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Apr. 7	225,659,000	226,449,000	224,653,000	193,313,000
Kerosene (bbls.) at	Apr. 7	26,619,000	26,000,000	24,896,000	17,051,000
Distillate fuel oil (bbls.) at	Apr. 7	88,507,000	89,677,000	95,888,000	63,645,000
Residual fuel oil (bbls.) at	Apr. 7	42,517,000	42,261,000	43,299,000	25,539,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Apr. 8	505,930	505,917	492,582	600,747
Revenue freight received from connections (no. of cars)	Apr. 8	472,773	473,708	475,703	551,097
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Apr. 13	$364,100,000	$440,000,000	$382,400,000	$397,800,000
Private construction	Apr. 13	177,300,000	169,600,000	191,400,000	171,400,000
Public construction	Apr. 13	186,800,000	270,400,000	191,000,000	226,400,000
State and municipal	Apr. 13	151,700,000	233,200,000	133,600,000	196,200,000
Federal	Apr. 13	35,100,000	37,200,000	57,400,000	30,200,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Apr. 8	6,565,000	6,560,000	6,130,000	8,382,000
Pennsylvania anthracite (tons)	Apr. 8	265,000	331,000	307,000	260,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Apr. 8	128	*151	128	153
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Apr. 15	14,434,000	14,182,000	14,554,000	13,617,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Apr. 13	383	343	363	308
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Apr. 10	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Apr. 10	$66.44	$66.44	$66.44	$66.41
Scrap Steel (per gross ton)	Apr. 10	$39.17	$39.50	$37.83	$33.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Apr. 12	28.600c	28.600c	28.600c	32.600c
Export refinery at	Apr. 12	28.025c	27.425c	27.175c	31.275c
Lead (New York) at	Apr. 12	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Apr. 12	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Apr. 12	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	Apr. 12	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	Apr. 12	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Apr. 12	109.750c	104.500c	104.000c	99.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Apr. 18	88.15	88.00	88.67	83.34
Average corporate	Apr. 18	87.99	88.27	88.40	85.46
Aaa	Apr. 18	92.35	92.64	92.93	89.51
Aa	Apr. 18	90.34	90.91	91.34	87.86
A	Apr. 18	87.59	87.86	87.99	85.07
Baa	Apr. 18	82.15	82.27	82.03	79.96
Railroad Group	Apr. 18	85.59	85.59	85.20	82.77
Public Utilities Group	Apr. 18	89.23	89.64	89.78	86.24
Industrials Group	Apr. 18	89.37	89.64	90.34	87.45
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Apr. 18	3.78	3.80	3.72	4.23
Average corporate	Apr. 18	4.56	4.54	4.53	4.75
Aaa	Apr. 18	4.25	4.23	4.21	4.45
Aa	Apr. 18	4.39	4.35	4.32	4.57
A	Apr. 18	4.59	4.57	4.56	4.78
Baa	Apr. 18	5.01	5.00	5.02	5.19
Railroad Group	Apr. 18	4.74	4.74	4.77	4.96
Public Utilities Group	Apr. 18	4.47	4.44	4.43	4.69
Industrials Group	Apr. 18	4.46	4.44	4.39	4.60
MOODY'S COMMODITY INDEX	Apr. 18	367.3	366.8	371.8	382.1
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Apr. 8	325,808	335,296	327,851	299,289
Production (tons)	Apr. 8	305,857	320,592	323,093	316,815
Percentage of activity	Apr. 8	86	91	93	94
Unfilled orders (tons) at end of period	Apr. 8	459,067	440,723	448,677	450,380
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Apr. 14	113.02	112.70	111.85	110.71
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Mar. 24	4,208,140	4,217,450	2,955,410	2,246,500
Short Sales	Mar. 24	795,120	799,470	730,240	396,200
Other sales	Mar. 24	3,294,260	3,314,170	2,309,930	1,706,740
Total sales	Mar. 24	4,089,380	4,113,640	3,040,170	2,102,940
Other transactions initiated off the floor—					
Total purchases	Mar. 24	704,970	526,910	480,670	331,940
Short Sales	Mar. 24	40,290	37,700	41,600	44,600
Other sales	Mar. 24	714,960	491,670	409,810	270,130
Total sales	Mar. 24	755,250	529,370	451,410	314,730
Other transactions initiated on the floor—					
Total purchases	Mar. 24	1,142,565	1,245,940	882,116	685,215
Short Sales	Mar. 24	191,410	154,140	147,135	126,450
Other sales	Mar. 24	1,354,366	1,059,848	831,009	593,934
Total sales	Mar. 24	1,545,776	1,213,988	978,144	720,384
Total round-lot transactions for account of members—					
Total purchases	Mar. 24	6,055,675	5,990,300	4,318,196	3,263,655
Short Sales	Mar. 24	1,026,820	991,310	918,975	567,250
Other sales	Mar. 24	5,363,586	4,865,688	3,550,749	2,570,804
Total sales	Mar. 24	6,390,406	5,856,998	4,469,720	3,138,054
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Mar. 24	2,751,549	2,761,738	2,127,397	1,519,716
Dollar value	Mar. 24	$141,255,991	$145,645,233	$103,602,064	$73,033,522
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Mar. 24	2,797,188	2,809,280	2,195,717	1,298,812
Customers' short sales	Mar. 24	6,726	8,010	8,333	11,862
Customers' other sales	Mar. 24	2,790,462	2,801,270	2,187,384	1,286,950
Dollar value	Mar. 24	$133,801,257	$133,879,734	$99,897,824	$61,557,659
Round-lot sales by dealers—					
Number of shares—Total sales	Mar. 24	870,250	835,700	663,880	348,560
Short Sales	Mar. 24	------	------	------	------
Other sales	Mar. 24	870,250	835,700	663,880	348,560
Round-lot purchases by dealers—Number of shares	Mar. 24	767,810	786,980	616,030	587,670
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short Sales	Mar. 24	1,150,510	1,129,040	1,045,330	709,660
Other sales	Mar. 24	27,325,510	26,624,360	20,725,110	13,341,240
Total sales	Mar. 24	28,476,020	27,753,400	21,770,440	14,050,900
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Apr. 11	119.4	119.5	119.8	120.1
Farm products	Apr. 11	88.4	88.6	90.0	91.2
Processed foods	Apr. 11	109.2	109.2	109.6	106.7
Meats	Apr. 11	95.0	*94.8	96.6	95.6
All commodities other than farm and foods	Apr. 11	127.9	127.9	128.1	128.7

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN PETROLEUM INSTITUTE—Month of January:			
Total domestic production (barrels of 42 gallons each)	254,471,000	253,162,000	253,398,000
Domestic crude oil output (barrels)	223,497,000	221,653,000	224,140,000
Natural gasoline output (barrels)	30,960,000	31,495,000	29,242,000
Benzol output (barrels)	14,000	14,000	16,000
Crude oil imports (barrels)	33,688,000	28,677,000	28,610,000
Refined product imports (barrels)	33,481,000	27,903,000	30,713,000
Indicated consumption domestic and export (barrels)	346,759,000	357,762,000	330,826,000
Decrease all stocks (barrels)	25,119,000	48,020,000	18,105,000
AMERICAN ZINC INSTITUTE, INC.—Month of March:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	78,007	70,189	86,028
Shipments (tons of 2,000 pounds)	70,074	61,605	86,524
Stocks at end of period (tons)	222,889	214,956	136,566
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of February (Millions of dollars):			
Manufacturing	$54,100	*$54,100	$54,200
Wholesale	13,100	13,100	12,700
Retail	24,600	24,200	24,600
Total	$91,800	*$91,400	$91,600
COKE (BUREAU OF MINES)—Month of Feb.:			
Production (net tons)	3,343,470	3,543,661	6,041,299
Oven coke (net tons)	3,296,083	3,493,740	5,912,498
Beehive coke (net tons)	47,387	49,921	128,801
Oven coke stocks at end of month (net tons)	4,800,812	*4,822,337	3,879,460
COPPER INSTITUTE—For Month of March:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	108,418	*97,682	116,680
Refined (tons of 2,000 pounds)	151,833	134,812	131,308
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	111,924	93,029	126,776
Refined copper stocks at end of period (tons of 2,000 pounds)	139,562	147,799	61,598
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales of ultimate consumers—Month of January (000's omitted)	59,435,999	55,973,498	57,615,101
Revenue from ultimate customers—Month of January	$1,010,932	$955,263,000	$961,822,000
Number of ultimate customers at Jan. 31	58,741,463	58,519,032	57,718,915
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of February:			
All manufacturing (production workers)	11,405,000	*11,515,000	12,494,000
Durable goods	6,358,000	*6,469,000	7,268,000
Nondurable goods	5,047,000	*5,046,000	5,226,000
Employment indexes (1947-49 Avg.=100)—			
All manufacturing	92.2	93.1	101.0
Payroll indexes (1947-49 Avg.=100)—			
All manufacturing	156.8	*158.3	173.9
Estimated number of employees in manufacturing industries—			
All manufacturing	15,471,000	*15,583,000	16,520,000
Durable goods	8,801,000	*8,914,000	9,680,000
Nondurable goods	6,670,000	*6,669,000	6,840,000
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of March:			
Weekly earnings—			
All manufacturing	$90.71	$89.86	$90.91
Durable goods	97.57	97.07	98.74
Nondurable goods	81.83	81.02	79.93
Hours—			
All manufacturing	39.1	38.9	39.7
Durable goods	39.5	39.3	40.3
Nondurable goods	38.6	38.4	38.8
Hourly earnings—			
All manufacturing	$2.32	$2.31	$2.29
Durable goods	2.47	2.47	2.45
Nondurable goods	2.12	2.11	2.06
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of March:			
Industrials (125)	3.11	3.15	3.47
Railroads (25)	4.84	4.99	5.50
Utilities (not incl. Amer. Tel & Tel.) (24)	3.25	3.33	4.01
Banks (15)	3.51	3.51	3.85
Insurance (10)	2.50	2.50	2.87
Average (200)	3.15	3.22	3.59
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S.—AUTOMOBILE MANUFACTURERS' ASSN.—Month of March:			
Total number of vehicles	506,273	486,742	785,130
Number of passenger cars	408,539	364,893	655,133
Number of motor trucks	97,454	121,629	129,777
Number of motor coaches	280	220	220
RAILROADS EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of February:			
Total operating revenues	$668,304,817	$699,241,730	$774,468,265
Total operating expenses	573,715,402	596,424,925	620,773,685
Taxes	68,643,141	73,963,102	83,834,843
Net railway operating before charges	4,825,041	4,052,338	42,298,366
Net income after charges (estimated)	20,000,000	8,000,000	25,000,000
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of January:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	8,189,206	*6,799,240	10,029,687
Production	8,233,618	7,809,103	9,010,575
Inventory	23,691,262	23,583,253	22,566,918
Tractor Implement Tires (Number of)—			
Shipments	329,156	*186,785	334,207
Production	295,475	250,954	301,605
Inventory	963,939	991,190	1,033,324
Passenger, Motorcycle, Truck and Bus Inner-Tubes (Number of)—			
Shipments	5,076,360	*2,816,795	5,390,897
Production	3,207,766	2,913,414	3,899,369
Inventory	9,394,015	11,034,355	8,923,924
Tread Rubber (Camelback)—			
Shipments (pounds)	37,216,000	42,645,000	37,519,000
Production (pounds)	38,402,000	40,375,000	39,150,000
Inventory (pounds)	19,226,000	17,990,000	32,210,000
Truck and Bus Tires (Number of)—			
Shipments	940,910	*850,979	1,292,264
Production	987,806	994,799	1,314,809
Inventory	3,990,699	3,956,841	3,376,343
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES) — Month of Jan. (in long tons):			
Stocks in beginning of period	33,485	33,390	35,510
Receipts	5,665	5,210	9,755
Supply	39,150	38,600	45,265
Stocks at end of period	33,115	33,485	37,795
Total processed	6,035	5,115	7,470
Intercompany scrap transactions	70	200	70
Consumed in manufacturing	5,965	4,915	7,400
Primary	3,680	2,845	4,570
Secondary	2,285	2,070	2,830

Securities Now in Registration

★ **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**
• **ITEMS REVISED**

NOTE—Because of the large number of issues awaiting processing by the SEC it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm

• ACR Electronics Corp. (5/15-19)
Feb. 27, 1961 refiled 125,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For salaries of additional personnel, liquidation of debt, research and the balance for working capital. **Office**—551 W. 22nd St., New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

Accesso Corp. (5/8-12)
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp.
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

★ Action Discount Dollars Corp.
April 14, 1961 (letter of notification) 42,500 units, each unit to consist of one share of common stock (par one cent) and one share of class A stock (par $1). **Price**—$7 per unit. **Business**—The sale and redemption of trading stamps. **Proceeds** — For printing trading stamps, catalogues; advertising and franchise development. **Office**—26 Broadway, New York, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill. Darlington & Grimm, New York City (managing). **Offering**—Imminent.

• Adler Electronics, Inc. (4/24-28)
Feb. 20, 1961 filed 160,000 shares of common stock, of which 110,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Rochelle, N. Y. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing).

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

★ Aeroject-General Corp.
April 11, 1961 filed $15,000,000 of sinking fund debentures, due 1981. **Price**—To be supplied by amendment. **Business**—This subsidiary of General Tire & Rubber Co., is engaged in the research, development and manufacture of rocket engines and propellants for military and space exploration purposes. **Proceeds**—For the repayment of debt. **Office**—1100 West Hollyvale St., Azusa, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing). **Offering**—Expected in late May.

Aerotest Laboratories Inc. (5/22-26)
March 24, 1961 filed 100,000 shares of common stock, (par 10 cents), of which 40,000 shares are to be offered for public sale by the company and 60,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The testing of components and systems designed and manufactured under government contracts by companies in the missile, space, electronic and aircraft industries. **Proceeds**—To repay loans, buy additional equipment and for working capital. **Office**—Deer Park, L. I., N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Airwork Corp. (5/8-12)
March 17, 1961 filed $1,500,000 of 6% subordinated debentures, due May 1, 1976 and 10-year warrants to purchase 125,000 shares of common stock, to be offered for public sale in units consisting of $1,000 of debentures and an unattached warrant to purchase an undisclosed number of common shares. **Price** — To be supplied by amendment. **Business**—The overhaul and sale of aircraft engines, instruments and accessories. **Proceeds**—To repay bank loans and for working capital. **Office**—Millville, N. J. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

Alaska Creamery Products, Inc.
Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—To be named.

All-State Credit Corp. (5/10)
Feb. 21, 1961 filed 200,000 shares of class A stock. **Price**—$5 per share. **Business**—A sales finance company, specializing in the purchase of conditional sales contracts from furniture and appliance dealers throughout the New York City area. **Proceeds**—For the repayment of debt and for working capital. **Office**—71 West Merrick Blvd., Valley Stream, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

★ American Broadcasting-Paramount Theatres Inc. (5/23)
April 12, 1961 filed 140,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The operation of television, radio and motion picture theatre facilities and phonograph records and music publishing. **Proceeds**—For the selling stockholder. **Office**—7 West 66th St., New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Cyrus J. Lawrence & Sons, both of New York City (managing).

American Educational Life Insurance Co.
Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par $1) and 240,000 shares of class B nonvoting common stock to be sold in uints, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

American Financial Corp. (5/22-26)
March 24, 1961 filed 175,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of three Ohio savings and loan associations, an automobile and truck leasing business, and a small building contracting business in southern Ohio. **Proceeds**—The repayment of debt and for general corporate purposes. **Office**—3955 Montgomery Road, Norwood, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio (managing).

• American Gas Co.
March 22, 1961 filed 101,081 shares of common stock to be offered for subscription by stockholders on the basis of 2.7 new shares for each share held. **Price**—$3.50 per share. **Proceeds**—To repay bank loans and for construction. **Office**—546 South 24th Ave., Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing). **Offering**—Expected in early May.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

Amity Corp. (5/22-26)
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City.

Ampoules, Inc. (4/26)
Feb. 28, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The design and development of sterile disposable hypodermic ampoules for administering medication. **Proceeds**—For general corporate purposes including laboratory equipment, salaries for engineers, moulds and dies, and working capital. **Office**—

Victoreen Com. Stock Marketed

Public offering of 350,000 shares of common stock of The Victoreen Instrument Co. at a price of $15.125 per share was made on April 18 by an underwriting group headed by Van Alstyne, Noel & Co.

Net proceeds from the financing will be used by the company to acquire new capital equipment and facilities; to finance increased inventories and accounts receivable; to modernize existing equipment and to acquire new automatic equipment for one of the company's subsidiaries and to expand and modernize the existing facilities and open a new West Coast operation for another of the company's subsidiaries. The balance of the proceeds will become part of the company's general corporate funds. The Victoreen Instrument Co., Cleveland, Ohio, develops and manufactures various electronic and nuclear instruments and devices, including medical radiation measuring instruments, radiation dose indicators, laboratory and field radiation survey meters, hi-meg resistors and electronic tubes. Victoreen's four subsidiaries make certain types of medical instrumentations in the nuclear field, photographic-electronic equipment, and advertising and display signs. They also manufacture a broad line of felt for use in medical, industrial, pharmaceutical, aircraft and missile fields.

For the fiscal year ended Dec. 31, 1960, Victoreen and its subsidiaries reported consolidated net sales of $14,042,698 and net income of $490,496. Upon completion of the current financing, outstanding capitalization of the company will consist of 2,011,067 shares of common stock; $2,459,000 of 6% convertible subordinated debentures due 1974; $680,725 of mortgage indebtedness of subsidiaries; and $50,000 of sundry indebtedness.

Sidney Rubin Opens

BETHESDA, Md. — Sidney Rubin is conducting a securities business from offices at 7913 Maryknoll Avenue.

Kahn, Peck Co. To Admit

Kahn & Peck, Cohn & Co., 74 Trinity Place, New York City, members of the New York Stock Exchange, on April 27 will admit Alvin J. Delaire, member of the Exchange, to partnership. Mr. Delaire is a partner in Gruss & Co.

Townsend, Dabney To Admit Smith

BOSTON, Mass. — Townsend, Dabney & Tyson, 30 State Street, members of the New York and Boston Stock Exchanges, on May 1 will admit Philip W. Smith, Jr., member of the New York Exchange, to partnership. Mr. Smith is a principal of Walston & Co., Inc.

Keenan & Clarey

DULUTH, Minn. — Keenan & Clarey, Inc. has a branch office at 2222 East Fourth St., under the direction of John L. Banks, Jr.

238 North Main St., Hudson, Ohio. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

• Angeles Crest Development Co., Inc. (5/1-5)
Feb. 27, 1961 filed $1,500,000 of 7% subordinated debentures due April 1, 1971 and 75,000 shares of common stock to be offered for public sale in units consisting of $500 of debentures and 25 common shares. **Price**—$632.50 per unit. **Business**—The company was organized under California law in April, 1960, to acquire land for the development of residential lots, a golf course and related facilities. **Proceeds**—For the payment of a mortgage note, for development expenses and for working capital. **Office**—3436 North Verdugo Road, Glendale, Calif. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Lester, Ryons & Co., Los Angeles, Calif.

Apache Corp.
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter**—The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

Apache Realty Corp.
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds**—For investment. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

Aqua-Chem, Inc. (4/24-28)
March 3, 1961 filed 340,000 shares of common stock (par $1), of which 227,000 are to be offered for public sale by the company and 113,000 outstanding shares by Cleaver-Brooks Co., its parent. **Price**—To be supplied by amendment. **Business**—The company, formerly Cleaver-Brooks Special Products, Inc., is engaged principally in the development, manufacture and sale of equipment used for desalting and purifying sea and brackish water. **Proceeds**—For research and development and working capital. **Office**—225 North Grand Ave., Waukesha, Wis. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York City and Loewi & Co., Inc., Milwaukee, Wis. (managing).

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price**—22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

Arkansas Power & Light Co. (5/15)
March 23, 1961 this subsidiary of Middle South Utilities filed $12,000,000 of first mortgage bonds, due 1991. **Office**—Ninth and Louisiana Streets, Little Rock, Ark. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers; Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received May 15 at 11:30 a.m. (DST).

Armstrong Paint & Varnish Works, Inc. (5/1-5)
March 9, 1961 filed 207,315 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of paint, varnish, lacquer and paint cans. **Proceeds**—For the selling stockholders. **Office**—1330 South Kilbourn Ave., Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York City (managing).

Arrow Electronics, Inc.
March 30, 1961 filed 165,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—The distribution of electronic equipment including high fidelity, radio and television components. **Proceeds**—To repay loans, expand facilities and for working capital. **Office**—525 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York City. **Offering**—Expected in June.

• Astek Instrument Corp. (4/24)
March 17, 1961 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacture of flight instruments and control systems for missiles, space vehicles and aircraft. **Proceeds**—For leasehold improvements, furniture and equipment, the purchase of equipment, and working capital. **Office**—Armonk, N. Y. **Underwriter**—M. H. Woodhill, Inc., New York, N. Y.

• Atlantic Fund for Investment in U. S. Government Securities, Inc. (5/1-5)
July 22, 1960, filed 2,000,000 shares of common stock. **Price**—$25 per share. **Business**—A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Continued on page 34

NEW ISSUE CALENDAR

April 20 (Thursday)

Computer Equipment Corp. — **Common**
(Offering to stockholders—underwritten by Holton, Henderson & Co.) $98,238

Orange & Rockland Utilities, Inc. — **Bonds**
(Bids 11:00 a.m.) $12,000,000

United States Freight Co. — **Debentures**
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith, Inc.) $15,393,900

April 21 (Friday)

Haloid Xerox Inc. — **Debentures**
(Offering to stockholders—underwritten by First Boston Corp.) $15,093,600

National Airlines, Inc. — **Debentures**
(Offering to stockholders—Underwritten by Lehman Brothers) $10,288,000

Resitron Laboratories, Ltd. — **Common**
(D. E. Liederman & Co., Inc.) $200,000

April 24 (Monday)

Adler Electronics, Inc. — **Common**
(Carl M. Loeb, Rhoades & Co.) 160,000 shares

Aqua-Chem, Inc. — **Common**
(Carl M. Loeb, Rhoades & Co. and Loewi & Co. Inc.) 340,000 shares

Astek Instrument Corp. — **Common**
(M. H. Woodhill Inc.) $300,000

Automation Development, Inc. — **Common**
(First Philadelphia Corp.) $150,000

California Financial Corp. — **Capital**
(William R. Staats & Co. and J. Barth & Co.) 88,977 shares

Community Research & Developm't, Inc. — **Common**
(Offering to stockholders—underwritten by Alex. Brown & Sons) 620,445 shares

Crowell-Collier Publishing Co. — **Debentures**
(Offering to stockholders—Underwritten by Carl M. Loeb, Rhoades & Co.)

Daffin Corp. — **Common**
(Lehman Brothers and Piper, Jaffray & Hopwood) 150,000 shares

Duke Power Co. — **Common**
(Offering to stockholders—no underwriting) 368,000 shares

Fulton Industries, Inc. — **Common**
(Robinson-Humphrey Co., Inc. and Walston & Co., Inc.) 233,955 shares

Geriatric Pharmaceutical Corp. — **Common**
(T. M. Kirsch Co.) $200,000

Giannini Controls Corp. — **Common**
(Kidder, Peabody & Co.) $300,000

Hickory Industries, Inc. — **Common**
(J. B. Coburn Associates, Inc.) $125,000

Honey Dew Food Stores, Inc. — **Common**
(Underwriter to be named) $290,000

Income Planning Corp. — **Units**
(Espy & Wanderer, Inc.) $200,000

Marcon Electronics Corp. — **Common**
(Meade & Co.) $300,000

Meridian Electronics, Inc. — **Common**
(B. N. Rubin & Co. Inc.) $285,000

Microwave Associates, Inc. — **Common**
(Lehman Brothers) 240,000 shares

Mohawk Insurance Co. — **Common**
(R. F. Dowd & Co. Inc.) $900,000

National Food Marketers, Inc. — **Common**
(Robert Edelstein Co., Inc.) $400,000

National Fuel Gas Co. — **Debentures**
(Bids 11 a.m. EST) $27,000,000

Nedick's Stores, Inc. — **Common**
(Van Alstyne, Noel & Co.) 185,000 shares

Progress Webster Electronics Corp. — **Common**
(Marron, Sloss & Co., Inc.) $675,000

Roblin-Seaway Industries, Inc. — **Class A**
(Brand, Grumet & Seigel, Inc.) $480,000

Terryphone Corp. — **Common**
(Stroud & Co. and Warren W. York & Co.) 200,000 shares

Thrift Courts of America, Inc. — **Units**
(Myron A. Lomasney & Co.) $1,600,000

Vitamix Pharmaceutical, Inc. — **Common**
(Bache & Co.) 100,000 shares

Wolf Corporation — **Class A**
(No underwriting) $300,000

April 25 (Tuesday)

Endevco Corp. — **Common**
(White, Weld & Co.) 125,000 shares

Iowa-Illinois Gas & Electric Co. — **Bonds**
(Bids 10 a.m., CST) $15,000,000

Motorola, Inc. — **Debentures**
(Halsey, Stuart & Co. and Goldman, Sachs & Co.) $30,000,000

April 26 (Wednesday)

Ampoules, Inc. — **Common**
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $400,000

General Precision Equipment Corp. — **Common**
(The First Boston Corp. and Tucker, Anthony and R. L. Day) 150,000 shares

Grolier Inc. — **Common**
(Dominick & Dominick) 120,000 shares

Madison Gas & Electric Co. — **Bonds**
(Bids 10 a.m., CST) $7,000,000

Tronomatic Corp. — **Common**
(Plymouth Securities Corp.) $260,000

April 27 (Thursday)

Blatt (M.) Co. — **Common**
(Maltz, Greenwald & Co.; Clayton Securities Corp.; Rodetsky, Kleinzahler, Walker & Co. and L. C. Wegard & Co.) 100,000 shares

Blue Haven Industries, Inc. — **Common**
(Carter, Berlind, Potoma & Weill) $280,000

April 28 (Friday)

Irvington Steel & Iron Works — **Common**
(L. L. Fane & Co., Inc.) $300,000

May 1 (Monday)

Angeles Crest Development Co., Inc. — **Units**
(Dempsey-Tegeler & Co. and Lester, Ryons & Co.) $1,897,500

Armstrong Paint & Varnish Works, Inc. — **Common**
(Lee Higginson Corp.) 207,315 shares

Atlantic Fund for Investment in U. S. Government Securities, Inc. — **Common**
(Capital Counsellors) $50,000,000

Beryllium Manufacturing Corp. — **Common**
(Eldes Securities Corp.) $472,500

B. M. C. Industries, Inc. — **Units**
(International Services Corp.) $575,000

Consolidated Activities, Inc. — **Debentures**
(G. F. Nicholls & Co., Inc.) $1,000,000

Consolidated Activities, Inc. — **Common**
(G. F. Nicholls & Co., Inc.) $175,000

Customline Control Panels, Inc. — **Common**
(Blaha & Co., Inc.) $300,000

Dixie Natural Gas Corp. — **Common**
(Vestal Securities Corp.) $300,000

Dodge Wire Corp. — **Common**
(Plymouth Securities Corp.) $600,000

Economy Book Co. — **Common**
(Hayden, Stone & Co.) 150,000 shares

Electro-Mechanical Corp. — **Common**
(Manufacturers Securities Corp.) $224,200

Elion Instruments, Inc. — **Capital**
(Warner, Jennings, Mandel & Longstreth) 60,000 shares

Emmer Glass Corp. — **Common**
(Clayton Securities Corp.) $760,000

Fabien Corp. — **Common**
(Goodbody & Co.) $405,000

General Economics Corp. — **Common**
(Continental Planning Co.) $650,000

Heath (D. C.) & Co. — **Common**
(Kidder, Peabody & Co.) 240,000 shares

Jodmar Industries, Inc. — **Common**
(Fontana Securities, Inc.) $300,000

Kreisler (Charles) Inc. — **Common**
(Albion Securities Co., Inc.) $300,000

Lytton Financial Corp. — **Capital**
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

National Bagasse Products Corp. — **Units**
(S. D. Fuller & Co. and Howard, Weil, Labouisse, Friedrichs & Co.) $2,654,370

Northern Instrument Corp. — **Common**
(I. R. E. Investors Corp.) $300,000

Opelika Manufacturing Corp. — **Common**
(Glore, Forgan & Co.) 200,000 shares

Panacolor, Inc. — **Common**
(Federman, Stonehill & Co.) $800,000

Seacrest Industries Inc. — **Common**
(A. J. Gabriel Co., Inc. and Williamson Securities Corp.) $160,000

Spartans Industries, Inc. — **Common**
(Shearson, Hammill & Co. and J. C. Bradford & Co.) 200,000 shares

Stratton Corp. — **Debentures**
(Cooley & Co.) $650,000

Tassette, Inc. — **Class A**
(Amos Treat & Co., Inc.) 200,000 shares

U. S. Mfg. & Galvanizing Corp. — **Common**
(Armstrong & Co., Inc.) $360,000

Washington Natural Gas Co. — **Common**
(Offering to stockholders—underwritten by Dean Witter & Co.; Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 118,384 shares

May 2 (Tuesday)

Bell Telephone Co. of Pennsylvania — **Debentures**
(Bids 11 a.m. DST) $50,000,000

Norway (Kingdom of) — **Bonds**
(Harriman Ripley & Co. Inc.; Kuhn, Loeb & Co. Inc.; Lazard Freres & Co. and Smith, Barney & Co. Inc.) $15,000,000

Sierra Pacific Power Co. — **Common**
(Offering to stockholders—no underwriting) 132,570 shares

May 3 (Wednesday)

Continental Oil Co. — **Debentures**
(Morgan Stanley & Co.) $100,000,000

Washington Gas Light Co. — **Bonds**
(Bids 11 a.m. DST) $15,000,000

May 4 (Thursday)

Chicago, Burlington & Quincy RR. — **Equip. Tr. Ctfs.**
(Bids to be received) $4,800,000

May 5 (Friday)

Rocket Jet Engineering Corp. — **Common**
(Thomas Jay, Winston & Co., Inc. and Maltz, Greenwald & Co.) 110,000 shares

May 8 (Monday)

Accesso Corp. — **Units**
(Ralph B. Leonard & Sons, Inc.) $600,000

Airwork Corp. — **Units**
(Auchincloss, Parker & Redpath) $1,500,000

California Liquid Gas Corp. — **Common**
(Kidder, Peabody & Co.) 125,00 shares

Electronic Assistance Corp. — **Common**
(Hayden, Stone & Co.) 110,000 shares

Kings Electronics Co., Inc. — **Common**
(Ross, Lyon & Co., Inc.) $1,180,748

Philadelphia Aquarium, Inc. — **Debentures**
(Stroud & Co.) $2,550,000

Publishers Co., Inc. — **Common**
(Amos Treat & Co., Inc. and Roth & Co., Inc.) $2,200,000

Stein, Hall & Co. Inc. — **Common**
(F. Eberstadt & Co.) 250,000 shares

May 9 (Tuesday)

King Kullen Grocery Co., Inc. — **Class A**
(Hemphill, Noyes & Co. and Estabrook & Co.) 180,000 shares

Peoples Gas Light & Coke Corp. — **Bonds**
(Bids 10 a.m. CDST) $30,000,000

May 10 (Wednesday)

All-State Credit Corp. — **Class A**
(Mortimer B. Burnside & Co., Inc.) $1,000,000

CTS Corp. — **Common**
(Goldman, Sachs & Co.) 300,000 shares

New York Central RR. — **Equip. Trust Ctfs.**
(Bids to be received) $4,155,000

May 11 (Thursday)

Sierra Pacific Power Co. — **Bonds**
(Bids 11 a.m. DST) $6,500,000

May 15 (Monday)

ACR Electronics Corp. — **Common**
(Robert Edelstein Co., Inc.) $375,000

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Arkansas Power & Light Co.____Bonds
(Bids 11:30 a.m. DST) $12,000,000
Burgmaster Corp. ____Common
(Shearson, Hammill & Co.) 190,000 shares
Criterion Insurance Co.____Common
(Offering to stockholders—no underwriting) $3,120,000
North Electric Co.____Common
(Offering to stockholders—no underwriting) 22,415 shares
Wayne-George Corp.____Common
(Hayden, Stone & Co.) 80,000 shares

May 16 (Tuesday)

Harcourt Brace & World, Inc.____Common
(White, Weld & Co., Inc.) 101,398 shares
New York State Electric & Gas Corp.____Bonds
(Bids 11 a.m. DST) $25,000,000

May 17 (Wednesday)

Beam (James B.) Distilling Co.____Common
(Goldman, Sachs & Co.) 200,000 shares
Pennsylvania Electric Co.____Bonds
(Bids 11 a.m. DST) $10,000,000

May 18 (Thursday)

Federal Paper Board Co., Inc.____Debentures
(Goldman, Sachs & Co.) $20,000,000
Interstate Power Co.____Bonds
(Bids 11 a.m. DST) $9,000,000
Interstate Power Co.____Common
(Offering to stockholders—Bids 11 a.m. DST) 223,833 shares

May 22 (Monday)

Aerotest Laboratories Inc.____Common
(Hayden, Stone & Co.) 100,000 shares
American Financial Corp.____Common
(Westheimer & Co.) 175,000 shares
Amity Corp. ____Common
(Karen Securities Corp.) $226,217
Brown Fintube Co.____Common
(Paine, Webber, Jackson & Curtis) 122,000 shares
Chock Full O' Nuts Corp.____Debentures
(F. Eberstadt & Co.) $7,500,000
Harwyn Publishing Corp.____Common
(N. A. Hart & Co.) $412,500
Ohio Edison Co.____Bonds
(Bids 11:30 a.m. DST) $30,000,000
Real Estate Investment Trust of America__Ben. Int.
(Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co. and Lee Higginson Corp.) 500,000 shares
Schaper Manufacturing Co., Inc.____Common
(Paine, Webber, Jackson & Curtis) $806,000

May 23 (Tuesday)

American Broadcasting-Paramount Theatres, Inc. ____Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc. and Cyrus J. Lawrence & Sons) 140,000 shares
Michigan Consolidated Gas Co.____Bonds
(Bids 10:30 a.m. DST) $30,000,000

May 24 (Wednesday)

Consolidated Natural Gas Co.____Debentures
(Bids 11:30 a.m. DST) $40,000,000
Sigma Instruments, Inc.____Common
(W. C. Langley & Co.) 200,000 shares
U. S. Realty Investment Trust____Ben. Int.
(Hornblower & Weeks) $3,869,750

May 25 (Thursday)

New Orleans Public Service, Inc.____Bonds
(Bids 11:30 a.m. DST) $15,000,000

May 29 (Monday)

Eastern Lime Corp.____Common
(Casper Rogers & Co.) $300,000
Products Research Co.____Common
(Schwabacher & Co.) 283,200 shares

May 31 (Wednesday)

Indiana & Michigan Electric Co.____Debentures
(Bids 11:30 a.m. DST) $20,000,000

June 1 (Thursday)

Columbia Gas System, Inc.____Debentures
(Bids to be received) $30,000,000

June 5 (Monday)

Fox-Stanley Photo Products, Inc.____Common
(Equitable Securities Corp.) 387,500 shares
Pennsylvania Electric Co.____Debentures
(Bids noon DST) $12,000,000
Southland Life Insurance Co.____Common
(Offering to stockholders—underwritten by Equitable Securities Corp.) 80,000 shares

June 6 (Tuesday)

American Telephone & Telegraph Co.____Bonds
(Bids to be received) $250,000,000
Public Service Electric & Gas Co.____Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 900,000 shares

June 7 (Wednesday)

Community Public Service Co.____Bonds
(Bids to be received) $5,000,000

June 8 (Thursday)

Brooklyn Union Gas Co.____Bonds
(Bids to be received) $20,000,000

June 12 (Monday)

Income Properties, Inc.____Class A
(Eisele & King, Lebaire, Stout & Co.) $1,462,500
Magnetax Corp. ____Common
(Stroud & Co.) $1,000,000
Missouri Edison Co.____Bonds
(Bids to be received) $2,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.____Bonds
(Bids 11 a.m. DST) $30,000,000

June 14 (Wednesday)

Michigan Wisconsin Pipe Line Co.____Bonds
(Bids 11 a.m. DST) $30,000,000

June 15 (Thursday)

Photronics Corp. ____Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares
Southern Electric Generating Co.____Bonds
(Bids 11 a.m. DST) $25,000,000

June 20 (Tuesday)

Consolidated Edison Co. of New York, Inc.__Bonds
(Bids 11 a.m. DST) $50,000,000

June 27 (Tuesday)

Massachusetts Electric Co.____Bonds
(Bids to be received) $17,500,000

August 8 (Tuesday)

Northern States Power Co.____Bonds
(Bids to be received) $20,000,000

September 28 (Thursday)

Mississippi Power Co. ____Bonds
(Bids to be received) $5,000,000
Mississippi Power Co.____Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.____Bonds
(Bids to be received) $15,500,000
Georgia Power Co.____Preferred
(Bids to be received) $8,000,000

December 5 (Tuesday)

Virginia Electric & Power Co.____Bonds
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.____Bonds
(Bids to be received) $5,000,000

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Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

Automated Procedures Corp.
April 7, 1961 filed 110,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business**—The company offers customized data processing service which involves the breaking up of complex accounting operations into simple tasks performable by its machines. **Proceeds**—To purchase additional equipment. **Office** — 71 West 23rd Street, New York City. **Underwriter**—Jay W. Kaufmann & Co., New York City.

• Automation Development, Inc. (4/24-28)
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y.

★ Automotive Vacuum Control Corp.
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

• B. M. C. Industries, Inc. (5/1-5)
March 1, 1961 filed 50,000 shares of 7% non-cumulative preferred stock (par $7.50); and 200,000 shares of common stock (par one cent), of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holder thereof. The offering will be made in units, each unit to consist of one preferred share and four common shares. **Price**—$11.50 per unit. **Business**—The company, formerly Beakatron Manufacturing Corp., manufactures, assembles and distributes a diverse line of electronic components for use in guidance and communication systems. **Proceeds**—For expansion and working capital. **Office**—1101-1109 Utica Ave., Brooklyn, N. Y. **Underwriter**—International Services Corp., Paterson, N. J.

• BarChris Construction Corp.
March 30, 1961 filed $3,500,000 of convertible subordinated debentures, due May 1, 1976. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of bowling alleys and bowling equipment. **Proceeds**—For construction of a new plant, development of new products and working capital. **Office**—35 Union Square West, New York City. **Underwriter**—Drexel & Co., New York City (managing). **Offering** — Expected in mid-May.

Beam (James B.), Distilling Co. (5/17)
March 24, 1961 filed 200,000 outstanding common shares. **Price**—To be supplied by amendment. **Business**—The production of whiskeys, vodka, brandies and cordials. **Proceeds**—For the selling stockholders. **Office**—65 East South Water Street, Chicago, Ill. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

• Bell Telephone Co. of Pennsylvania (5/2)
April 7, 1961 filed $50,000,000 of debentures, due May 1, 2001. **Proceeds**—To repay advances from A. T. & T. the parent company, and for expansion. **Office**—1835 Arch Street, Philadelphia 3, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co., and Eastman Dillon, Union Securities & Co. (jointly); Morgan Stanley & Co. **Bids**—To be received in Room 2315, 195 Broadway, New York City, up to 11 a.m. (DST) on May 2, 1961.

• Beryllium Manufacturing Corp. (5/1-5)
Feb. 27, 1961 filed 105,000 shares of common stock. **Price**—$4.50 per share. **Business** — The fabrication of pure beryllium components and other materials. **Proceeds**—For expansion and inventory, with the balance for working capital. **Office**—253 W. Merrick Rd., Valley Stream, L. I., N. Y. **Underwriter**—Eldes Securities Corp., New York City.

• Blatt (M.) Co. (4/27)
Feb. 28, 1961 filed 100,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business** — The issuer manufactures and installs bowling lanes and related equipment. **Proceeds**—For expansion, new equipment, the repayment of debts and for working capital. **Office**—315 Third St., Trenton, N. J. **Underwriters**—Maltz, Greenwald & Co., New York City (managing); Clayton Securities Corp., Boston, Mass.; Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; and L. C. Wegard & Co., Levittown, N. J.

• Blue Haven Industries, Inc. (4/27)
March 30, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To increase inventory, reduce indebtedness and for working capital. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter** — Carter, Berlind, Potoma & Weill, New York, N. Y.

Briel Industries, Inc.
Feb. 17, 1961 (letter of notification) 11,590 shares of class A common stock (par $2.50) to be offered for subscription by stockholders on the basis of one new share for each 16 shares held. **Price**—$8 per share. **Proceeds**—For construction and working capital. **Address**—Industrial Park, Shelbyville, Ky. **Underwriters**—J. J. B. Hilliard & Son and Stein Bros. & Boyce, both of Louisville, Ky.

Broadcast International, Inc.
Feb. 28, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y.

Brown Fintube Co. (5/22-26)
March 27, 1961 filed 122,000 shares of class A common stock (par $1), of which 100,000 shares are to be offered for public sale by the company and 22,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The production of heat-transfer equipment for use primarily in the petrochemical, chemical and refining industries. **Proceeds** — For new equipment and working capital. **Office**—300 Huron Street, Elyria, Ohio. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City.

• Burgmaster Corp. (5/15-19)
March 23, 1961 filed 190,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture of multiple spindle-turret drilling machines. **Proceeds**—To repay loans, purchase additional equipment and real estate, and for working capital. **Office**—15001 South Figueroa Street, Gardena, Calif. **Underwriter**—Shearson, Hammill & Co., New York City (managing).

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

CTS Corp. (5/10)
March 16, 1961 filed 300,000 shares of common stock (no par) of which 75,000 shares are to be offered for public sale by the company and 225,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Manufactures electronic and electro-mechanical components, primarily variable resistors and associated switches. **Proceeds**—To repay debt and for working capital. **Office**—1142 West Beardsley Ave., Elkhart, Ind. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Cad-E-Mobile Corp. of America
March 20, 1961 (letter of notification) 60,000 shares of class A common stock (par five cents). **Price**—$2 per share. **Proceeds** — For salaries, advertising, inventory, and working capital. **Office**—1830 N. E. 163rd Street, North Miami Beach, Fla. **Underwriter**—Lloyd, Miller & Co., Washington, D. C.

California Financial Corp. (4/24-28)
Feb. 23, 1961 filed 88,977 shares of capital stock, of which 35,000 are to be offered for public sale by the company and 53,977 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company, through a subsidiary is engaged in the savings and loan business in the San Francisco area. It also conducts an insurance agency business, renders management services to its subsidiaries and participates in the financing of real estate development

projects. **Proceeds**—For the repayment of loans and for expansion. **Office** — 11 Tillman Place, San Francisco, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and J. Barth & Co., San Francisco.

• California Liquid Gas Corp. (5/8-12)
March 21, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The sale and distribution of liquified petroleum gas and accessory equipment. **Proceeds**—To finance the acquisitions of Ransome Co. of Nevada and Liquiefuel, Inc., to retire debt and for working capital. **Office**—P. O. Box 5073, Sacramento, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

• Capital for Technical Industries, Inc.
April 10, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A small business investment company. **Proceeds**—To repay a loan and to provide long term capital to small business concerns. **Office**—1281 Westwood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in late May.

• Car Plan System, Inc.
April 10, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — The leasing of automobiles. **Proceeds** — For expansion. **Office**—540 N. W. 79th Street, Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Offering**—Expected in mid-May.

Central Mutual Telephone Co., Inc.
March 6, 1961 (letter of notification) 20,000 shares of common stock (par $10) being offered for subscription by stockholders of record April 4, at the rate of 24 new shares for each 100 shares held with rights to expire April 21. **Price** — $14 per share. **Proceeds** — To repay short-term notes. **Address** — c/o C. Lacey Comption, Esq., Manassas, Va. **Underwriter**—Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc., Washington, D. C.

Chalco Engineering Corp.
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing). **Offering**—Expected in late April.

Charleston Rubber Co.
March 23, 1961 (letter of notification) 15,000 shares of common stock (par $5). **Price**—$10 per share. **Proceeds**—For purchase of new equipment, research and development and working capital. **Office**—Stark Industrial Park, Charleston, S. C. **Underwriter** — Johnson, Coleman, Manning & Smith, Inc., 8 State Street, Charleston, S. C.

Chock Full O' Nuts Corp. (5/22-26)
April 7, 1961 filed $7,500,000 of subordinated debentures, due May 1, 1961. **Price**—To be supplied by amendment. **Business**—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. **Proceeds**—For expansion. **Office**—425 Lexington Avenue, New York 17, N. Y. **Underwriter**—F. Eberstadt & Co., New York City (managing).

• Chroma-Glo, Inc.
March 2, 1961 (letter of notification) 90,000 shares of common stock (par 50 cents). **Price** — $3.30 per share. **Business** — The manufacture of pressure sensitive emblems. **Proceeds**—For payment of obligations; purchase of equipment; and for working capital. **Office**—525 Lake Ave., S., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn. **Offering**—Imminent.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

★ Cinestat Advertising Corp.
April 17, 1961 (letter of notification) 30,000 shares of no par common stock. **Price**—$10 per share. **Proceeds**—To repay debts and to purchase Multi-Image, Inc. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—None.

Clairtone Sound Corp. Ltd.
March 29, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacturing and distribution of stereophonic high fidelity radio-phonograph consoles and accessories **Proceeds** — For research and development, expansion, increased inventories and repayment of debt. **Office**—118 Rivalda Road, Weston, Ont., Canada. **Underwriter**—Reiner, Linburn & Co., New York City (managing). **Offering**—Expected in late May.

Coastal Acceptance Corp.
March 1, 1961 (letter of notification) $175,000 of 10-year 7% registered series notes to be offered in varying denominations of $100 to $1,000. **Proceeds** — For general corporate purposes. **Office** — 36 Lowell Street, Manchester, N. H. **Underwriter**—Shontell & Varick, Manchester, N. H.

Coastal Publications Corp.
March 30, 1961 filed 110,000 shares of common stock (par 60 cents). **Price**—To be supplied by amendment. **Business**—The preparation of technical literature on the use and maintenance of complicated electronic equipment produced for the Department of Defense. **Proceeds**—For general corporate purposes. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Jesup & Lamont, New York City.

• Colber Corp.
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine St., New York 5, N. Y. **Offering**—Imminent.

Commercial Investment Co.
March 2, 1961 (letter of notification) 25,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For purchase of stock in a customer's showroom; payment on a note and for working capital. **Office**—1963 W. Burnside St., Portland, Ore. **Underwriter**—Shiels Securities Inc., Portland, Ore.

• Community Research & Development, Inc. (4/24-28)
Feb. 27, 1961 filed 620,445 shares of common stock to be offered for subscription by holders of its common stock and 6% convertible debentures due Jan. 1, 1972 on the basis of one new share for each two common shares held, and 105 shares for each $1,000 of debentures held. **Price**—To be supplied by amendment. **Business**—The development, ownership and management of income producing real estate projects. **Proceeds** — For construction. **Office**—14 West Saratoga Street, Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

★ Computer Equipment Corp. (4/20)
April 5, 1961 (letter of notification) 46,780 shares of common stock (no par) to be offered for subscription by stockholders on the basis of one new share for each 10 shares held of record April 20. **Price**—$2.10 per share. **Proceeds**—For research and production, and general corporate purposes. **Office** — 11612 W. Olympic Blvd., Los Angeles, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

Consolidated Activities, Inc. (5/1)
Feb. 28, 1961 filed $1,000,000 of 6½% convertible subordinated debentures, due April 30, 1976, to be offered by the company and 50,000 shares of common stock (par 50c) to be offered by a selling stockholder. **Price**—(Debenture) 101% of the principal amount. (Stock) $3.50 per share. **Business**—The issuer is principally engaged in the construction and operation of bowling alleys. **Proceeds**—To retire a mortgage and outstanding debentures, for construction of a new bowling alley, for general corporate purposes. **Office**—26 West Northfield Road, Livingston, N. J. **Underwriter**—G. F. Nicholls & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

Consolidated Business Systems, Inc.
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, development, manufacture and sale of standard and custom made printed and lithographed business forms. **Proceeds** — To repay loans, purchase additional equipment, and for working capital. **Office** — 400 Jersey Avenue, New Brunswick, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., and M. L. Lee & Co., Inc., both of New York City. **Offering**—Expected in late May to early June.

• Consolidated Cigar Corp.
April 10, 1961 filed 275,000 shares of common stock (par $1), to be offered for subscription by holders of outstanding common stock at the rate of one new share for each 8 shares held. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cigars. **Proceeds**—For expansion. **Office**—529 Fifth Avenue, New York City. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing). **Offering**—Expected in late May.

Consumers Automatic Vending, Inc.
March 31, 1961 filed 100,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The installation, maintenance and servicing of automatic vending machines, including complete in-plant automatic cafeterias, in the metropolitan New York area. **Proceeds**—For equipment, the reduction of debt and other corporate purposes. **Office** — 59-05 56th Street, Maspeth, N. Y. **Underwriters**—Diran, Norman & Co., and V. S. Wickett & Co., Inc., both of New York City. **Offering**—Expected sometime in May.

Continental Oil Co. (5/3)
April 7, 1961 filed $100,000,000 of debentures, due 1991. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries produce, refine, transport and market petroleum and petroleum products. **Proceeds**—To repay debt, make advances to affiliates and for expansion. **Office**—1300 Main Street, Houston, Texas. **Underwriter**—Morgan Stanley & Co., New York City (managing).

Continental Trust Co.
March 15, 1961 (letter of notification) 297,000 shares of preferred stock and 297,000 shares of common stock to be offered in units of one share of preferred and one share of common. **Price**—$1.01 per unit. **Proceeds**—For operating expenses. **Office** — Scottsdale Savings Building, Scottsdale, Ariz. **Underwriter**— Preferred Securities, Inc., Phoenix, Ariz.

Criterion Insurance Co. (5/15)
March 27, 1961 filed 520,000 shares of common stock (par $2), to be offered for subscription by common stockholders of Government Employees Life Insurance Co., and Government Employees Corp., on the basis of one new share for each 10 shares held of record March 30, and by stockholders of Government Employees Insurance Co., on the basis of one new share for each five shares held of record March 30, with rights to expire about June 5. **Price**—$6 per share. **Business**—The company was organized on March 22, 1961 by the management of the three Government Employees Group companies and plans to engage in all kinds of fire and casualty insurance business. **Proceeds**—For general corporate purposes. **Office**—Government Employees Insurance Building, Washington, D. C. **Underwriter**—None.

Crowell-Collier Publishing Co. (4/24-28)
March 14, 1961 filed $12,000,000 of convertible subordinated debentures due 1981, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 25 common shares held. **Price**—To be supplied by amendment. **Business**—A holding company whose subsidiaries publish books and operate radio and TV stations. **Proceeds**—To repay loans. **Office**—640 Fifth Ave., New York City. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing).

Curley Co. Inc.
March 30, 1961 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and packaging of household liquid detergents for distribution under private labels. **Proceeds**—For general corporate purposes. **Office**—Jefferson and Masters Sts., Camden, N. J. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City (managing). **Offering**—Expected in early May.

• Custom Components, Inc.
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y. (managing); Bioren & Co. and Wm. Stix Wasserman & Co., Inc., New York City, Chace, Whiteside & Winslow, Inc., and Draper, Sears & Co., Boston, Mass. **Offering**—Imminent.

• Customline Control Panels, Inc. (5/1-5)
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Proceeds**—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

• Daffin Corp. (4/24-28)
March 22, 1961 filed 150,000 outstanding shares of common stock (no par), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized agricultural machinery. **Proceeds**—For the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters** — Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing.)

★ Data Processing, Inc.
April 12, 1961 (letter of notification) 75,000 shares of no par common stock. **Price**—$4 per share. **Business**—The research, design and development of advanced digital computers. **Proceeds**—To purchase or lease computer equipment. **Office**—1334 Main St., Waltham, Mass. **Underwriter** — First Weber Securities Corp., 79 Wall St., New York City.

★ Davis Industries
March 16, 1961 (letter of notification) 100,000 shares of common stock. **Price**—$3 per share. **Office**—111 North La Cienega Blvd., Beverly Hills, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles, Calif.

★ De-Flectronics, Inc.
April 13, 1961 (letter of notification) 112,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business** — The manufacture of electronic components and assemblies. **Proceeds** — For the purchase of inventory; manufacturing facilities and working capital. **Office**—50 E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., New York, N. Y.

Dean Milk Co.
March 31, 1961 filed 150,093 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 50,093 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The wholesale distribution of milk and milk products in the middle west. **Proceeds**—For the repayment of debt and for working capital. **Office**—3600

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River Road, Franklin Park, Ill. **Underwriter** — A. G. Becker & Co., Chicago (managing).

Decitron Electronics Corp.
March 16, 1961 filed 50,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price** — $2 per share. **Business** — The design, manufacture and sale of electronic equipment for the U. S. Government. **Proceeds** — For research and development and for working capital. **Office**—850 Shepherd Ave., Brooklyn, N. Y., **Underwriter**—M. L. Lee & Co., New York City. **Offering**—Expected in mid-to-late May.

Delanco Electric Machine Co., Inc.
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office**—111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y.

● **Detroit Tractor, Ltd.**
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment. This statement is expected to be withdrawn.

Development Corp. of America
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing). **Offering** — Expected in June.

★ **Dictron, Inc.**
March 29, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For raw materials, production, testing and working capital. **Office** — 3650 Richmond St., Philadelphia, Pa. **Underwriter**—Royer Securities Co., Philadelphia, Pa.

Di Giorgio Fruit Corp.
April 10,1961 filed 275,000 shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Business**—The production, harvesting and marketing of agricultural products, especially fruits. **Proceeds**—For the repayment of a loan. **Office** — 350 Sansome Street, San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Expected in late May.

● **Dixie Natural Gas Corp. (5/1-5)**
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

Dixon Chemical Industries, Inc.
March 31, 1961 filed $1,500,000 of 6% convertible subordinated income debentures due 1981 to be offered for subscription by holders of the company's common stock. **Price** — To be supplied by amendment. **Business** — The manufacture of sulfuric acid. **Proceeds**—For the construction of a new plant and for working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing). **Offering**—Expected in late May to early June.

Dixon Chemical & Research, Inc.
March 31, 1961 filed $2,900,000 of 6% convertible sinking fund debentures, due 1978. **Price**—To be supplied by amendment. **Business**—The production of sulfuric acid, liquid sulfur dioxide, aluminum sulfate, chromic acid and corrosion-resistant coatings. **Proceeds** — For construction of a new plant, repayment of debt, and working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing). **Offering**—Expected in late May to early June.

● **Dodge Wire Corp. (5/1-5)**
Dec. 7, 1960, filed 160,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

★ **Doughboy Industries, Inc.**
April 12, 1961 filed 100,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of flour used for spaghetti, macaroni and noodles; the production of animal feeds, plastic toys and swimming pools, and the manufacture of machinery for heat sealing and labeling containers. **Proceeds** — For working capital and the repayment of loans. **Office**—New Richmond, Wis. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

Duke Power Co. (4/24)
March 14, 1961 filed 368,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 30 shares held of record April 24, with rights to expire May 15. **Price**—To be supplied by amendment. **Proceeds** — To repay short-term loans. **Offices**—Charlotte 1, N. C.; Flemington, N. J., and 30 Rockefeller Plaza, New York City. **Underwriter**—None.

★ **Dubow Chemical Corp.**
April 10, 1961 (letter of notification) 80,000 shares of class A common stock (par one cent). **Price**—$2.25 per share. **Business**—The development and manufacture of chemical products. **Proceeds**—For general corporate purposes. **Office**—222 Newbridge Ave., East Meadow, L. I., N. Y. **Underwriters** — Planned Investments Co., New York City and Fidelity Investors Service, East Meadow, L. I., N. Y.

Duplex Vending Corp.
March 20, 1961 filed 160,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—A distributor of the coin-operated commercial washers, and dryers, heaters and other equipment produced by International Duplex Corp. **Proceeds**—For expansion and working capital. **Office**—641 Bergen St., Brooklyn, N. Y. **Underwriter**—Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in May.

Eastern Camera Exchange, Inc.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & Co., Inc., New York, N. Y.

Eastern Lime Corp. (5/29-6/2)
March 31, 1961 filed $700,000 of subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa. (co-managers).

Economy Book Co. (5/1-5)
March 15, 1961 filed 150,000 shares of common stock (par 10 cents) of which 75,000 shares are to be offered for public sale by the company and 75,000 outstanding shares, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are engaged principally in the binding of children's hard cover books. **Proceeds**—For new equipment, moving expenses and working capital. **Office**—511 Joyce Street, Orange, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds** — To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

● **Electro-Mechanical Corp. (5/1-5)**
March 17, 1961 (letter of notification) 54,000 shares of common stock (par one cent). **Price**—$2.30 per share. **Business**—The company designs, develops and produces electronic test equipment and systems for the communications and data processing fields. **Proceeds**—For expansion and general corporate purposes. **Office**—Town Dock Road, New Rochelle, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Avenue, New York 17, N. Y.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

★ **Electronic Aids, Inc.**
March 29, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Proceeds** — To purchase equipment and raw materials, and for working capital. **Office**—857 N. Eutaw St., Baltimore, Md. **Underwriter** — R. Topik & Co., Inc., 295 Madison Ave., New York, N. Y.

Electronic Assistance Corp. (5/8-12)
March 17, 1961 filed 110,000 shares of common stock (par 10 cents) of which 60,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The design, engineering, manufacture and sale of radar altimeters, communications devices and test equipment. **Proceeds**—For investment in a new subsidiary and for expansion of present facilities. **Office**—20 Bridge Avenue, Red Bank, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Electronic Associates, Inc.
March 30, 1961 filed 75,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The development, production and sale of analog computers and precision electronic laboratory equipment; and also computer engineering services at three centers in the United States and Europe. **Proceeds** — To repay loans and for working capital. **Office** — Long Branch, N. J. **Underwriter**—W. C. Langley & Co., New York City (managing). **Offering**—Expected in late May.

Elgeet Optical Co., Inc.
March 28, 1961 filed 180,000 shares of common stock. **Price** — $6.50 per share. **Business** — The production of lenses and optical systems for camera manufacturers. **Proceeds**—For repayment of bank loans, new machinery, research and development, with the balance for general corporate purposes. **Office**—838 Smith Street, Rochester, N. Y. **Underwriter**—Troster, Singer & Co., New York City (managing). **Offering**—Expected in late May.

Elion Instruments, Inc. (5/1)
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

Emmer Glass Corp. (5/1-5)
March 8, 1961 filed 190,000 shares of class A common stock, of which 160,000 shares are to be offered for public sale by the company and 30,000 outstanding shares, by the present holder thereof. **Price**—$4 per share. **Business**—The sale of glass, metal, fiber and plastic containers; and housewares and garden accessories. **Proceeds**—For the repayment of debt and general corporate purposes. **Office**—6250 N. W. 25th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston, Mass. (managing).

Empire Devices, Inc.
April 3, 1961 filed 105,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—Between $10 and $12 per share. **Business**—The manufacture of electronic test equipment. **Proceeds**—For the selling stockholders. **Office**—Amsterdam, N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in late May.

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Endevco Corp. (4/25)
March 1, 1961 filed 125,000 shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of piezoelectric transducers and associated electronic equipment. **Proceeds**—For equipment and working capital. **Office**—161 East California Blvd., Pasadena, Calif. **Underwriter**—White, Weld & Co., New York City (managing).

Equity Capital Co.
April 7, 1961 filed 100,000 shares of common stock (par $1.25). **Price**—To be supplied by amendment. **Business**—The making of short-term construction and second mortgage loans, and the buying of improvement loan obligations from the holders thereof. **Proceeds**—To retire debt and for working capital. **Office** — 430 First Avenue North, Minneapolis, Minn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Expected some time in June.

● **Fabien Corp. (5/1-5)**
Feb. 27, 1961 filed 60,000 shares of outstanding common stock. **Price**—$6.75 per share. **Business**—The company, formerly Fabien Textile Printing Corp., is engaged in the printing of colored designs on various types of materials. **Proceeds** — To selling stockholders. **Office**—Lodi, N. J. **Underwriter**—Goodbody & Co., New York City (managing).

★ **Farmers Mutual Telephone Co. of Clarinda, Iowa**
April 7, 1961 (letter of notification) 1,650 shares of common stock (par $20). **Price**—$30 per share. **Proceeds**—For working capital. **Office**—106 W. Chestnut St., Clarinda, Iowa. **Underwriter**—None.

● **Far West Financial Corp.**
March 30, 1961 filed 950,000 shares of capital stock, of which a maximum of 770,000 shares will be offered for public sale by the company, and a maximum of 180,000 outstanding shares will be offered by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company owns a majority of State Mutual Savings & Loan Association capital stock and operates an insurance agency. **Proceeds**—To repay loans, and to make loans to developers of real estate projects. **Office**—415 West Fifth St., Los Angeles, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing). **Offering**—Expected in late May.

● **Faradyne Electronics Corp.**
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

★ **Federal Paper Board Co., Inc. (5/18)**
April 18, 1961 filed $20,000,000 of sinking fund debentures, due May 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of folding boxboard, paperboard, corrugated containers and machine made glassware. **Proceeds**—For a new mill at Versailles, Conn., and modernization of existing facilities. **Office**—24 River Road, Bogota, N. J. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

● **Fiat Metal Manufacturing Co., Inc.**
March 29, 1961 filed 220,462 outstanding shares of common stock (par 10 cents), to be offered for public sale by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution

of prefabricated metal shower cabinets, glass shower enclosures and pre-cast shower floors. **Proceeds**—For the selling stockholder. **Office** — Michael Court, Plainview, L. I., N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis and New York City. **Offering**—Expected in early-to-mid June.

● Filtors, Inc.
March 16, 1961 filed 271,000 shares of common stock, of which 122,000 shares are to be offered for public sale by the company and 149,000 outstanding shares, by the present holders thereof. **Price**—$7 per share. **Business**—The design, manufacture and sale of subminiature and microminiature hermetically sealed relays. **Proceeds**—For general corporate purposes. **Office**—30 Sagamore Hill Drive, Port Washington, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing). **Offering**—Expected in early-to-mid June.

● Fireco Sales Ltd.
March 31, 1961 filed 123,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The service merchandising of non-food consumer items in Canada, mainly in supermarkets. **Proceeds** — For the selling stockholder. **Office** — 33 Racine Rd., Rexdale (Toronto), Canada. **Underwriter**—McDonnell & Co., New York City (managing). **Offering**—Expected in early May.

★ First Small Business Corp. of New Jersey
April 18, 1961 filed 300,000 outstanding shares of capital stock (par $1), to be offered for public sale by the present holder thereof. **Price**—To be supplied by amendment. **Business**—A small business investment company organized in July, 1960, by the National State Bank of Newark, sole stockholder. **Proceeds** — For the selling stockholder. **Office**—810 Broad St., Newark, N. J. **Underwriters**—Shearson, Hammill & Co., New York City and Heller & Meyer, East Orange, N. J.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

★ Focus Midwest Publishing Co., Inc.
April 11, 1961 (letter of notification) 900 shares of class A common stock. **Price**—At par ($100 per share). **Office**—884 Berick Drive, University City, Mo. **Underwriter**—None.

Fox Head Brewing Co.
March 16, 1961 (letter of notification) 52,806 shares of common stock (par $1.25). **Price**—At-the-market at time of sale. **Proceeds**—For redemption of preferred stock, and working capital. **Office** — 227 Maple Avenue, Waukesha, Wis. **Underwriter** — Milwaukee Co., Milwaukee, Wis.

● Fox-Stanley Photo Products, Inc. (6/5-9)
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

Friden, Inc.
March 30, 1961 filed 360,000 shares of common stock of which 150,000 shares are to be offered for public sale by the company and 210,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of various products such as calculators, adding machines, data processing equipment, Ticketograph machines and electronic heaters. **Proceeds** — For plant expansion, new equipment, prepayment of loans, and inventory. **Office**—2350 Washington Avenue, San Leandro, Calif. **Underwriters**—Dean Witter & Co., San Francisco and Merrill Lynch, Pierce, Fenner & Smith Inc., New York City. **Offering**—Expected in late May.

Fulton Industries, Inc. (4/24-28)
Feb. 21, 1961 filed 233,955 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—Produces textiles, automotive parts, metal castings, cotton ginning equipment and pre-engineered steel buildings. **Proceeds**—To selling stockholders. **Office**—Atlanta, Ga. **Underwriters** — Robinson-Humphrey Co., Inc., Atlanta, Ga., and Walston & Co., Inc., New York City (managing).

Futterman Corp.
March 31, 1961 filed 1,000,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Business** — The owning, managing, constructing, acquiring, leasing and sale of real estate properties. **Proceeds**—For the purchase of properties. **Office**—580 Fifth Avenue, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected in early May.

★ G. B. Components, Inc.
April 10, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For repayment of loans and working capital. **Office**—14621 Arminta St., Van Nuys, Calif. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

GPC, Inc.
March 27, 1961 filed 2,180 shares of class A common stock and $125,000 principal amount of certificates of indebtedness to be offered in 1,680 units. **Price**—For the stock: $25 per share. For the certificates: $75 per unit. **Business**—The company is now constructing a 32 lane bowling center on Route 58 in Portsmouth, Va. **Proceeds**—For construction expenses. **Office** — 316 New Kirn Building, Portsmouth, Va. **Underwriter**—None.

G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

Gateway Sporting Goods Co.
March 20, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The retail sale of sporting goods, photographic equipment, toys, luggage and other recreational items. **Proceeds**—For expansion. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo. **Offering**—Expected in early May.

Gem International, Inc.
April 6, 1961 filed 150,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The operation of closed-door membership department stores in Denver, Kansas City, St. Louis, Minneapolis, Wichita, Washington, D. C., and Honolulu. **Proceeds**—For the selling stockholders. **Office**—10900 Page Boulevard St. Louis, Mo. **Underwriters**—Bosworth, Sullivan & Co., Inc., Denver, Colo., and Scherck, Richter Co., St. Louis, Mo. (managing). **Offering** — Expected some time in June.

General Economics Corp. (5/1-5)
March 8, 1961 filed 130,000 shares of common stock. **Price**—$5 per share. **Business**—The company is active in the over-the-counter market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums. **Proceeds**—For additional working capital. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Continental Planning Co., 130 W. 42nd Street, New York City.

General Precision Equipment Corp. (4/26)
March 28, 1961 filed 150,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—A holding company whose subsidiaries are engaged in the production of electronic and electro-mechanical components and equipment for military aircraft, naval vessels, missiles and space vehicles. **Proceeds**—To repay debt. **Office**—50 Prospect Ave., Tarrytown, N. Y. **Underwriters**—The First Boston Corp., and Tucker, Anthony and R. L. Day, both of New York City (managing).

Geriatric Pharmaceutical Corp. (4/24-28)
Feb. 28, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The distribution and sale of geriatric pharmaceuticals. **Proceeds**—For general corporate purposes. **Office**—45 Commonwealth Boulevard, Bellerose, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y.

Giannini Controls Corp. (4/24-28)
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

★ Gilbert Data Systems, Inc.
April 14, 1961 filed 175,000 shares of common stock. **Price**—$2 per share. **Business**—The affixing of price tags, packing, warehousing of apparel and other services for department and chain stores. **Proceeds**—For plant additions, repayment of debt and working capital. **Office**—441 Ninth Ave., New York City. **Underwriter**—Schrijver & Co., New York City.

Girard Industries Corp.
March 22, 1961 filed 100,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Business**—The manufacture, and sale of certain types of furniture to retail dealers. **Proceeds**—For a new plant, equipment and working capital. **Office**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanly, Hempstead, N. Y. (managing). Brand, Grumet & Seigel, Inc.; Kesselmann & Co., Inc.; Casper Rogers & Co., Inc., New York City. **Offering**—Expected in late May.

Golden Triangle Industries, Inc.
March 29, 1961 filed 87,500 shares of common stock. **Price** — $4 per share. **Business** — The manufacture and sale of doll carriages, hobby horses and pony stock horses. **Proceeds** — For working capital. **Office** — 100 South 30th and Jane Streets, Pittsburgh, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

Grayco Credit Corp.
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville, Tenn.

Grolier Inc. (4/26)
March 17, 1961 filed 120,000 shares of common stock (par $1), of which 60,000 shares are to be offered for public sale by the company and 60,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The publication and sale of encyclopedias, reference works, juvenile books and the retail distribution of teaching machines and related programs. **Proceeds**—For working capital. **Office**—575 Lexington Ave., New York City. **Underwriter**—Dominick & Dominick, New York City.

Grosset & Dunlap, Inc.
March 31, 1961 filed 436,086 shares of common stock (par $1), of which 210,320 shares are to be offered for public sale by the company and 225,766 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The publication and distribution of hard cover and paperback books for adults and children. **Proceeds**—For the purchase of additional stock in Bantam Books, Inc., Wonder Books, Inc., and Treasure Books, Inc., and for working capital. **Office**—1107 Broadway, New York City. **Underwriter** — Blyth & Co., Inc., New York City (managing). **Offering**—Expected in mid-May.

Guaranty National Insurance Co.
Feb. 27, 1961 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—For investment and the operation of the company. **Office**—916 Broadway, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Hager Inc.
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office**—2926 Fairfield Ave., Bridgeport, Conn. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering** — Expected in mid-June.

★ Hale-Justis Drug Co.
April 5, 1961 (letter of notification) 30,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For repayment of loans, the purchase and installation of a conveyor system, and working capital. **Office**—20 East Central Parkway, Cincinnati, Ohio. **Underwriter**—None.

Haloid Xerox Inc. (4/21)
March 17, 1961 filed $15,093,600 of convertible subordinated debentures, due 1981, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 25 shares held of record April 20, with rights to expire May 8. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of products for xerographic and photocopy reproduction, and for photographic use. **Proceeds**—To redeem all outstanding 5¼% preferred stock, repay bank loans and for working capital. **Office**—2 Haloid St., Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

Harcourt Brace & World, Inc. (5/16)
March 24, 1961 filed 101,398 outstanding shares of common stock (par $1) **Price**—To be supplied by amendment. **Business**—The publication and sale of textbooks, school materials, aptitude tests, and general books. **Proceeds**—For the selling stockholders. **Office**—750 Third Ave., New York City. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

★ Harrisonville Telephone Co.
April 3, 1961 (letter of notification) 12,500 shares of common stock (par $20) to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—$22.50 per share. **Proceeds**—For the repayment of loans, and working capital. **Address** — Waterloo, Ill. **Underwriter**—McCourtney-Breckenridge & Co., St. Louis, Mo.

Harvey-Wells Corp.
March 28, 1961 (letter of notification) 20,000 shares of common stock (par one cent). **Price** — $15 per share. **Proceeds**—To repay a loan, purchase equipment, for improvements and working capital. **Office** — 43 Kendall Street, Framingham, Mass. **Underwriter** — Schirmer, Atherton & Co., Boston, Mass.

Harwyn Publishing Corp. (5/22-26)
March 30, 1961 filed 110,000 shares of class A common stock (par 10 cents). **Price**—$3.75 per share. **Business**—The publishing of illustrated encyclopedic works, principally for children. **Proceeds**—For general corporate purposes. **Office**—170 Varick Street, New York City. **Underwriter**—N. A. Hart & Co., Bayside, N. Y.

● Heath (D. C.) & Co. (5/1-5)
March 17, 1961 filed 240,000 shares of common stock (par $5), of which 50,000 shares are to be offered for public sale by the company and 190,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The publishing of textbooks and related materials for students. **Proceeds**—For working capital. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Hickory Industries, Inc. (4/24)
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

● Honey Dew Food Stores, Inc. (4/24-28)
Jan. 27, 1961 (letter of notification) 145,000 shares of common stock (par 10 cents). **Price** — $2 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — To be named shortly.

★ Hotchkiss Mining Corp.
March 28, 1961 (letter of notification) 2,165 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**

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—For mining expenses. **Office** — Spring Creek Mining District, Gunnison County, Colo. **Underwriter**—None.

Howard Johnson Co.
March 13, 1961 filed 660,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries operate and supply a large restaurant chain. **Proceeds**—For the selling stockholders. **Office**—89 Beale St., Wollaston, Mass. **Underwriters**—Blyth & Co., Inc., New York City and F. S. Moseley & Co., Boston, Mass. **Offering**—Expected in early May.

Howe Plastics & Chemical Companies, Inc.
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril Co., New York, N. Y.

Hurletron, Inc.
March 15, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Manufactures timing devices, and web control systems for printers. **Proceeds**—For the repayment of debt and for working capital. **Office**—135 So. La Salle St., Chicago, Ill. **Underwriter**—F. S. Moseley & Co., Boston, Mass.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price** —$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**— Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Income Planning Corp. (4/24-28)
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

Income Properties, Inc. (6/12-16)
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Price Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King, Lebaire, Stout & Co., New York City (managing).

Industrial Control Products, Inc.
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City. **Offering**—Expected in early May.

Intercontinental Motels, Ltd.
March 28, 1961 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For acquiring Fleetwood Motel Corp. and working capital. **Office**—Towne House Motor Lodge, P. O. Box 1061, Martinsville, Va. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

International Photocopy Corp.
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Price** — $3 per share. **Business** — Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office** — 564 W. Randolph St., Chicago, Ill. **Underwriter** — J. J. Krieger & Co., New York City.

Interstate Power Co. (5/18-6/2)
March 16, 1961 filed 223,833 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 16 shares held of record May 18, with rights to expire June 2. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction. **Offices**—1000 Main Street, Dubuque, Iowa, and 111 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Salomon Bros. & Hutzler; Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co. **Bids**—To be received on May 18 at 11 a.m. (DST).

Interstate Power Co. (5/18)
March 16, 1961 filed $9,000,000 of first mortgage bonds, due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler. **Bids**—To be received on May 18 up to 11 a.m. (DST) at the office of The Chase Manhattan Bank, One Chase Plaza, New York 5, N. Y., 23rd floor. **Information Meeting**—Scheduled for May 8, at 3 p.m. (DST) at the office of The Chase Manhattan Bank, 28th floor.

Investors Preferred Life Insurance Co.
March 30, 1961 filed 400,000 shares of common stock. **Price**—$2.40 per share. **Business**—The company is authorized to sell life, accident and health insurance. **Proceeds**—To be added to capital and surplus. **Office**—310 Spring Street, Little Rock, Ark. **Underwriter**—Life Securities, Inc., Little Rock.

Iowa-Illinois Gas & Electric Co. (4/25)
March 24, 1961 filed $15,000,000 of first mortgage bonds, due 1991. **Proceeds**—To repay bank loans and for construction. **Office** — 206 E. 2nd Street, Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glore, Forgan & Co., and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly). **Bids**—To be received in the Whitehall Room, 4th floor, 33 South Clark Street, Chicago, Ill., at 10 a.m. (CST) on April 25.

● Irvington Steel & Iron Works (4/28)
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business** — Fabricators of structural steel. **Proceeds** — For general corporate purposes. **Office** — Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J.

Ita Electronics Co.
April 7, 1961 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—Manufactures electronic equipment and components. **Proceeds**—For general corporate purposes. **Office**—Lansdown, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

★ J-F Investment Corp.
April 10, 1961 (letter of notification)) 100 bonds (par $1,000) due serially from 1961 to 1976, inclusive. **Price**—At par. **Proceeds**—For working capital. **Office**—112 W. Fourth St., Joplin, Mo. **Underwriter**—None.

★ Jackson National Life Insurance Co.
April 11, 1961 filed 300,000 shares of class A common stock. **Price** — $4 per share. **Business** — The company plans to engage in the life insurance business. **Proceeds** —For capital funds, and working capital. **Office**—245 West Michigan Avenue, Jackson, Mich. **Underwriter**—Apex Investment Co., Detroit.

Jefferson Counsel Corp.
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None.

● Jodmar Industries, Inc. (5/1-5)
Feb. 24, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** —Design, lay-out, installation and maintenance of industrial heating and air-conditioning systems. **Proceeds**—For the purchase of inventory for current business; purchase of machinery, equipment and inventory for proposed manufacturing business; sales promotion and reserves. **Office**—8801-11 Farragut Road, Brooklyn 36, N. Y. **Underwriter**—Fontana Securities, Inc., 82 Beaver Street, New York, N. Y.

Julie Research Laboratories, Inc.
March 29, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present stockholder. **Price**—$10 per share. **Business**—Basic research and development leading to the design, manufacture and sale of precise electronic components and instruments. **Proceeds**—For the selling stockholder. **Office** —603 West 130th Street, New York City. **Underwriter** —C. E. Unterberg, Towbin Co., New York City (managing).

Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For working capital and expansion. **Address** —Seattle, Wash. **Underwriters**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y.

Kawecki Chemical Co.
March 23, 1961 filed $3,500,000 of 4⅞% convertible subordinated debentures, due 1976, and 17,282 shares of common stock (par 25 cents), issuable upon the exercise of warrants. The debentures are to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 15 shares held. **Price**—At par. **Business**—The research and pilot plant production of rare metals. **Proceeds**—To repay debt and for working capital. **Office**—Boyertown, Pa. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected sometime in May.

King Kullen Grocery Co., Inc. (5/9)
March 28, 1961 filed 180,000 shares of class A stock, of which 50,000 shares are to be offered for public sale by the company and 130,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The operation of a chain of self-service food stores in the Long Island, N. Y., area. **Proceeds**—For the construction and equipping of a new warehouse and office. **Office** — 178-02 Liberty Ave., Jamaica, N. Y. **Underwriters**—Hemphill, Noyes & Co., and Estabrook & Co., New York City (managing).

● Kings Electronics Co., Inc. (5/8-12)
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing).

● Kreisler (Charles), Inc. (5/1-5)
Feb. 27, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Business** —Sale and rental of automobiles. **Proceeds**—Acquisition of cars for rental purposes; acquisition of additional salesroom; advertising and sales promotion and for working capital. **Office**—241 Park Avenue, New York, N. Y. **Underwriter**—Albion Securities Co., Inc., New York, N. Y.

★ Krystinel Corp.
April 12, 1961 filed 90,000 shares of class A stock. **Price** —$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds** —For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter** —International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

★ Lannett Co., Inc.
April 7, 1961 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Business**—The manufacture and sale of pharmaceuticals. **Proceeds**—For a new building, research and development, and a sales training program. **Office**—Frankford Ave., and Allen St., Philadelphia, Pa. **Underwriter** — Netherlands Securities Co., Inc., New York City.

Leeds Homes, Inc.
March 9, 1961 filed $1,000,000 of 6% subordinated sinking fund debentures, due 1976 and 300,000 shares of common stock to be offered for public sale in units consisting of $10 principal amount of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—Company, formerly Aluminum Siding & Supply Corp., is a holding company whose subsidiaries are engaged in the sale, construction and financing of shell homes. **Proceeds**—For construction, working capital, and investment in mortgages on shell homes. **Office**—2501 Ailor Ave., Knoxville, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

Lindy Hydrothermal Products, Inc.
March 30, 1961 filed 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, manufacture, distribution and sale of heat exchange products and custom tanks for the storage of water, chemicals and other liquids. **Proceeds**—For new equipment, plant relocation, product development and repayment of debt. **Office**—2370 Hoffman Street, New York City. **Underwriter**—Bond, Richman & Co., New York City. **Offering**—Expected in late May.

● Lockwood Grader Corp.
Feb. 2, 1961 filed $600,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 18,000 shares of class A common stock), and 40,000 shares of class A common stock. **Price**—$1,000 per debenture and $10 per class A share. **Business**—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. **Proceeds**—For working capital. **Office**—Gering, Nebr. **Underwriter**—First Trust Co. of Lincoln, Nebr.

● Lytton Financial Corp.
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office** — 8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing). **Offering** — Expected in mid-June.

● (E. F.) Mac Donald Co.
April 11, 1961 filed 275,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The creation and administration of incentive campaigns designed to achieve the sales objectives of its customers. **Proceeds**—For the selling stockholders. **Office**—120 So. Ludlow St., Dayton, Ohio. **Underwriters**—Smith, Barney

& Co., Inc., New York City and Merrill, Turben & Co., Inc., Cleveland, Ohio (managing).

● Madison Gas & Electric Co. (4/26)
March 23, 1961 filed $7,000,000 of first mortgage bonds, due April 1, 1991. **Proceeds**—For repayment of bank loans and for construction. **Office** — 100 No. Fairchild Street, Madison 1, Wis. **Underwriters** — To be determined by competitive biding: Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Glore, Forgan & Co. and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 26 at 10 a.m. (CST) on the 8th floor of 111 W. Monroe Street, Chicago, Ill. **Information Meeting**—April 24 at 2 p.m. (CST) at the same address.

● Magnefax Corp. (6/12)
April 10, 1961 filed 200,000 shares of no par common stock. **Price**—$5 per share. **Business**—The company plans to distribute desk-top copy machines and supplies. **Proceeds**—For new equipment, leasing office space, salaries, advertising, and other corporate purposes. **Office**—1228 Commercial Trust Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia (managing).

● Majestic Specialties, Inc.
March 7, 1961 filed 140,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is chiefly engaged in making and selling ladies' sportswear coordinates. **Office** — 340 Claremont Ave., Jersey City, N. J. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Imminent.

Mallory Randall Corp.
March 30, 1961 filed 120,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment **Business**—The design, manufacture and sale of a line of plastic insulated food and drink serving accessories, principally mugs, bowls and tumblers. **Proceeds**—For plant relocation, new equipment, and other corporate purposes. **Office**—84 Clifton Place, Brooklyn, N. Y. **Underwriter**—Pistell, Crow, Inc., New York City. **Offering**—Expected in late May.

● Marcon Electronics Corp. (4/24)
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price** — $10 per share. **Business** — Manufacture of electrical and electronic equipment. **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y.

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). Price—$3 per share. Proceeds—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter—Batten & Co.,** Washington, D. C.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

★ Marrud, Inc.
April 12, 1961 filed 194,750 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 94,750 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The wholesale distribution of cosmetics, beauty aids, health aids and related products. **Office**—189 Dean St., Norwood, Mass. **Underwriter**—McDonnell & Co., New York City.

Matthews Corp.
Feb. 28, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To retire bank loans; purchase new equipment and for working caiptal. **Office**—12923 Cerise Street, Hawthorne, Calif. **Underwriters**—Holton, Henderson & Co., Los Angeles, Calif., and Sellgren, Miller & Co., San Francisco, Calif.

Meridian Electronics, Inc. (4/24-28)
March 20, 1961 (letter of notification) 95,000 shares of common stock (par 10 cents) of which 91,290 shares are to be offered by the company and 3,710 shares by the present holders thereof. **Price**—$3 per share. **Proceeds**—To repay loans and for working capital. **Office**—1001 W. Broad Street, Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York, N. Y.

Mesabi Iron Co.
Jan. 10, 1961 filed 119,322 shares of capital stock being offered for subscription by the company's stockholders of record April 3 on the basis of one new share for each 10 shares then held, with rights to expire on April 24. **Price**—$60 per share. **Proceeds**—To establish a reserve for 1960 tax payments. **Office**—452 Fifth Ave., New York City. **Underwriter**—None.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). Price—$3 per share. Proceeds — For working capital. Office — 919-18th St., N. W., Washington, D. C. **Underwriter** — Metropolitan Brokers, Inc., Washington, D. C.

Miami Industries, Inc.
March 24, 1961 filed 175,000 outstanding shares of class A common stock (par $1), to be offered for public sale by the holders thereof. **Price**—$9.50 per share. **Business**—The production and sale of electric resistance welded steel tubing. **Proceeds** — For the selling stockholders. **Office** — Springcreek Township, Miami County, Ohio. **Underwriter**—H. Hentz & Co., New York City (managing). **Offering**—Expected in late May.

★ Michigan Consolidated Gas Co. (5/23)
April 14, 1961 filed $30,000,000 of first mortgage bonds, due 1986. **Proceeds**—For the repayment of debt and for construction. **Office**—415 Clifford Street, Detroit, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Lehman Brothers. **Bids**—To be received in Detroit on May 23 at 10:30 a.m. (DST).

Micro Electronics Corp.
March 31, 1961 filed 100,000 shares of common stock. **Price** — $4 per share. **Business** — The manufacture of printed circuits for the electronics industry. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—1191 Stout St., Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C. (managing).

Microtron Industries, Inc.
March 1, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For purchase of equipment; inventory of parts; working capital; and research and development. **Office** — 120 S. Fairfax, Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

Microwave Associates, Inc. (4/24-28)
March 27, 1961 filed 240,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be related to the current market price of the stock on the American Stock Exchange at the time of the offering. **Business**—The design and production of specialized components used in microwave radio energy. **Proceeds** — For the selling stockholders. **Office** — South Street, Burlington, Mass. **Underwriters**—Lehman Brothers; Kuhn, Loeb & Co., Inc., and Clark, Dodge & Co., Inc., all of New York City.

Milliken (D. B.) Co.
March 15, 1961 filed $240,000 of 6% subordinated sinking fund debentures, due 1971, with stock purchase warrants attached, together with 75,000 shares of capital stock. **Prices**—The debentures will be sold at par, with a 7½% underwriter's commission; the stock will be sold at $3 per share. **Proceeds**—For debt reduction and working capital. **Office**—131 North Fifth Ave., Arcadia, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif. **Offering**—Expected in May.

Missile Sites, Inc.
March 30, 1961 filed 291,000 shares of common stock. **Price**—$5 per share. **Business**—A prime contractor with governmental agencies for the building of missile and radar sites and other specialized facilities. **Proceeds**—For working capital. **Office**—11308 Grandview Ave., Wheaton, Md. **Underwriter**—Balogh & Co., Inc., Washington, D. C.

Moderncraft Towel Dispenser Co., Inc.
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

Mohawk Insurance Co. (4/24-28)
Aug. 8, 1960, filed 75,000 shares of class A common stock **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

★ Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

Mortgage Guaranty Insurance Co.
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). Price—To be supplied by amendment. Business—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. Proceeds—For capital and surplus. Office—606 West Wisconsin Avenue, Milwaukee, Wis. Underwriter—Bache & Co., New York City (managing). Note—This stock is not qualified for sale in New York State. Offering—Expected in June.

Morton Manufacturing Corp.
March 28, 1961 filed 100,000 outstanding shares of common stock (par $1), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of medicated proprietary items, cosmetics, toiletries and fragrances. **Proceeds** — For the selling stockholders. **Office** — 2101 Hudson Street, Lynchburg, Va. **Underwriter** — Smith, Barney & Co., New York City (managing). **Offering**—Expected in early May.

Motorola, Inc. (4/25)
March 27, 1961 filed $30,000,000 of debentures, due 1986. **Price**—To be supplied by amendment. **Business**—The development, manufacture and sale of electronic products. **Proceeds**—For the repayment of debt and advances to Motorola Finance Corp., a wholly-owned subsidiary. **Office**—9401 W. Grand Ave., Franklin Park, Ill. **Underwriters**—Halsey, Stuart & Co., Inc. and Goldman, Sachs & Co., New York City (managing).

Nash (J. M.) Co., Inc.
March 30, 1961 filed $1,000,000 of series A subordinated debentures, due July 1, 1981 and $1,000,000 of series B convertible subordinated debentures, due July 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of a variety of industrial products including woodworking and packaging equipment, power saws, auxiliary power plants, centrifugal pumps, inboard marine engines and a line of leisure time and sporting goods merchandise. **Proceeds**—To retire on or about Oct. 1, 1961 all outstanding 7½% convertible debentures; to repay bank loans, and for other corporate purposes. **Office**—208 Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee (managing).

National Airlines, Inc. (4/21)
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. Price—To be supplied by amendment. Business—Domestic and international transport of persons, property, and mail. Proceeds—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. Office — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing).

National Bagasse Products Corp. (5/1-5)
March 14, 1961 filed 16,200 units, each unit consisting of $100 of 15-year 7% subordinated debentures, 30 shares of class A common and 10 warrants (to buy a like number of class A shares). **Price** — $163.85 per unit. **Business — Manufactures composition board, hard board and insulating board from bagasse,** a waste product of sugar refining. **Proceeds** — To build a new plant at Vacherie, La. **Office**—821 Gravier St., New Orleans, La. **Underwriters**—S. D. Fuller & Co., New York City, and Howard, Weil, Labouisse, Fredrichs & Co., New Orleans (managing).

● National Food Marketers, Inc. (4/24-28)
Jan. 27, 1961 filed 100,000 shares of common stock. **Price $4** per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City.

National Fuel Gas Co. (4/24)
March 22, 1961, filed $27,000,000 of sinking fund debentures, due May 1, 1986. **Proceeds**—To refund $15,000,000 of 5½% debentures due 1982 and for other corporate purposes. **Office**—30 Rockefeller Plaza, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., and Stone & Webster Securities Corp. (jointly). **Bids**—To be received April 24 at 11:30 a.m. (EST) in Room 2033, 2 Rector Street, New York City. **Information Meeting**—Scheduled for April 21, at 11 a.m. (EST) in Room 240, 2 Rector Street, New York City.

National Mercantile Corp.
March 29, 1961 filed 100,000 shares of common stock and five-year warrants to purchase an additional 20,000 common shares, to be offered for public sale in units consisting of one common share and one-fifth of a warrant. **Price**—To be supplied by amendment. **Business**—The distribution and retail sale of phonograph records. **Proceeds**—For the repayment of loans and for working capital. To expand retail operations. **Office**—1905 Kerrigan Avenue, Union City, N. J. **Underwriter**—A. T. Brod & Co., New York City (managing). **Offering**—Expected in late May.

National Scientific Corp.
March 24, 1961 filed 1,500,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company is licensed under the Small Business Investment Act of 1958 and is registered with the SEC as a non-diversified, closed-end, management investment company, which will invest in the fields of electronics, physics and chemistry. **Proceeds**—For investment and operating expenses. **Office** — First National Bank Building, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn.

★ Nat Nast, Inc.
April 18, 1961 filed 150,000 shares of class A common stock. **Price**—$4 per share. **Proceeds**—For working capital, construction, and funds estimated at $125,000 to stock such items as bowling clothes and accessories, gym clothing, etc. **Office** — Kansas City, Mo. **Underwriter**—Hardy & Co., New York City (managing).

● Nedick's Stores, Inc. (4/24)
Feb. 21, 1961 filed 185,000 shares of common stock (par 20 cents), of which 60,000 shares are to be offered for the account of the company and 125,000 outstanding shares by the present holders thereof. Price—To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—513 West 166th St., New York, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

● New England Telephone & Telegraph Co.
March 30, 1961 this subsidiary of A. T. & T. filed 3,149,615 shares of capital stock being offered for subscription by stockholders on the basis of one new share for each seven shares held of record April 25 with rights to expire on May 19. **Price**—$42 per share. **Proceeds**—To retire $40,000,000 of first mortgage 4½% bonds, series B, which mature May 1, 1961 and to repay advances from the parent company. **Office**—185 Franklin Street, Boston, Mass. **Underwriter**—None.

★ New Orleans Public Service, Inc.
April 13, 1961 filed $15,000,000 of first mortgage bonds, due 1991. **Proceeds** — For construction and the repayment of debt. **Office**—317 Baronne Street, New Orleans, La. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.;

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Lee Higginson Corp.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler.

New York State Electric & Gas Corp. (5/16)
March 24, 1961 filed $25,000,000 of first mortgage bonds due 1991. **Proceeds**—To repay bank loans and for construction. **Office**—108 East Green Street, Ithaca, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc.; Harriman Ripley & Co.; First Boston Corp., and Glore, Forgan & Co. (jointly). **Bids**—To be received on May 16 at 11 a.m. (EST).

Nippon Telegraph & Telephone Public Corp.
April 10, 1961 filed $15,000,000 of guaranteed bonds of which $5,000,000 will be due in 1964-1966 and $10,000,000 in 1976. The bonds are guaranteed as to principal and interest by the Government of Japan. **Price**—To be supplied by amendment. **Business**—The company was formed in 1952 to take over from the government the furnishing of public telephone, telegraph and related communication services in Japan. **Proceeds** — For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co. Inc.; First Boston Corp., and Smith, Barney & Co. (managing). **Offering**—Expected in early May.

North Electric Co. (5/15)
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15. **Price**—To be supplied by amendment. **Business**—This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market Street, Galion, Ohio. **Underwriter**—None.

● **Northern Instrument Corp. (5/1-5)**
March 10, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—Manufacturers of electronic devices. **Proceeds**—For general corporate purposes. **Office**—3 Carll Ave., S., Babylon, N. Y. **Underwriter**—I. R. E. Investors Corp., Levittown, N. Y.

Norway (Kingdom of) (5/2)
April 7, 1961 filed $15,000,000 of 15-year external loan bonds of 1961, due May 1, 1976. **Proceeds**—For the acquisition and importation of capital equipment required for the continuing development of the Norwegian economy. **Underwriters** — Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. Inc.; Lazard Freres & Co., and Smith, Barney & Co. Inc.

★ **Nye-Mathews Mining, Inc.**
March 28, 1961 (letter of notification) 15,000 shares of common stock (no par). **Price**—$20 per share. **Proceeds**—For mining expenses. **Office** — 711 Merchants Bank Bldg., Indianapolis, Ind. **Underwriter**—None.

★ **Ohio Edison Co. (5/22)**
April 14, 1961 filed $30,000,000 of first mortgage bonds, due 1991. **Proceeds**—For construction and the repayment of debt. **Office** — 47 North Main Street, Akron, Ohio. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly); First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at 16 Wall St., New York City on May 22 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 17 at 3:30 p.m. (RST) at the New York Society of Security Analysts, 15 William St., New York City.

● **Ohio-Franklin Fund, Inc.**
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. Exchange Price—Net asset value (expected to be $10 per share). Business—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. Proceeds—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

● **One Maiden Lane Fund, Inc.**
April 7, 1961 filed 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund which will hold only convertible debentures and U. S. Treasury bonds. **Proceeds**—For investment. **Office**—One Maiden Lane, New York City. **Underwriter**—G. F. Nicholls & Co., Inc., New York City. **Offering**—Expected in early May.

Opelika Manufacturing Corp. (5/1-5)
March 30, 1961 filed 200,000 outstanding shares of common stock (par $5), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of a variety of textile products to the linen rental industry and to hospitals and other institutions. **Proceeds**—For the selling stockholders. **Office**—361 West Chestnut Street, Chicago, Ill. **Underwriter** — Glore, Forgan & Co., New York City (managing).

Orange & Rockland Utilities, Inc. (4/20)
March 14, 1961 filed $12,000,000 of first mortgage bonds, series G, due April 15, 1991. Proceeds—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. Office—10 North Broadway, Nyack, N. Y. Underwriters—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). Bids—Expected to be received on April 20, up to 11:00 a.m. EST. Information Meeting—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

Palm Developers Limited
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). Price — $3 per share. Business — The company intends to deal in land in the Bahamas. Proceeds—To buy land, and for related corporate purposes. Office—6 Terrace, Centreville, Nassau, Bahamas. Underwriter—David Barnes & Co., Inc., New York City. **Offering**—Imminent.

Panacolor, Inc. (5/1-5)
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price—$4** per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. **Underwriter** — Federman, Stonehill & Co., New York City (managing).

Paxton (Frank) Lumber Co.
March 28, 1961 filed 83,389 outstanding shares of class A common (par $2.50) to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The operation of a chain of lumber yards in the middle west. **Proceeds**—For the selling stockholders. **Office** — 6311 St. John Avenue, Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City (managing).

Pennsylvania Electric Co. (5/17)
March 28, 1961 filed $10,000,000 of first mortgage bonds, due 1991. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. **Bids**—To be received on the 37th Floor of 80 Pine Street, New York City on May 17 at 11 a.m. (DST). **Information Meeting**—To be held at the above address on May 12 at 10 a.m. (DST).

Pennsylvania Electric Co. (6/5)
March 28, 1961 filed $12,000,000 of debentures, due 1986. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. The company has never before issued debentures. However, the following underwriters bid on the last issue of bonds: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—To be received at 80 Pine Street, 37th floor, on June 5 at noon (DST). **Information Meeting**—To be held at the above address on June 2 at 10 a.m. (DST).

Peoples Gas Light & Coke Co. (5/9)
March 30, 1961 filed $30,000,000 of first and refunding mortgage bonds, series J, due 1986. **Proceeds**—To pay at maturity $15,100,000 of first and refunding mortgage 3% bonds, series G, due June 15, 1961 and for general corporate purposes. **Office**—122 S. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp. **Bids**—To be received on May 9 at 10 a.m. (CDST) in room 1615, 122 So. Michigan Ave., Chicago, Ill.

Perini Corp.
March 30, 1961 filed 1,451,998 shares of common stock (par $1), of which 1,350,000 are to be offered for public sale by the company, and 101,998 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is engaged in the construction and general contracting business in the U. S. and Canada and recently entered the real estate development field. In addition it will control and operate the National League Baseball Club of Milwaukee, Inc. **Proceeds**—To repay loans and for general corporate purposes. **Office** — 73 Mt. Wayte Ave., Framingham, Mass. **Underwriters**—F. S. Moseley & Co., Boston, Mass., and Paine, Webber, Jackson & Curtis, New York City.

Peterson Building Corp.
Feb. 24, 1961 filed $630,000 of 5½% leasehold mortgage sinking fund bonds to be offered for public sale in denominations of $1,000 and $500. **Business**—The company is constructing a building on leased premises in the business district of Lincoln, Neb., which will provide street level space for retail tenants and a six-level, self-parking garage. **Proceeds**—For construction. **Office**—National Bank of Commerce Bldg., Lincoln, Neb. **Underwriters**—Ellis, Holyoke & Co., and Commerce Investment Co., both of Lincoln, Neb.

Pharmaceutical Vending Corp.
Feb. 17, 1961 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For machinery and equipment, plant facilities, inventory and working capital. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

Philadelphia Aquarium, Inc. (5/8-12)
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. Price—$150 per unit. Business—Operation of an aquarium in or about Philadelphia. Proceeds—To acquire ground and to construct an aquarium building or buildings. Office—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. Underwriter—Stroud & Co., Inc., Philadelphia, Pa.

Photogrammetry, Inc.
March 20, 1961 (letter of notification) 23,000 shares of common stock (par $1). **Price**—$8 per share. **Proceeds**—For construction, equipment and working capital. **Office**—922 Burlington Avenue, Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

Photronics Corp. (6/15)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

Potter Instrument Co., Inc.
March 24, 1961 filed 210,000 shares of common stock, of which 190,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holder thereof. **Price**—$10 per share. **Business**—The manufacture and sale of electronic data processing equipment. **Proceeds**—For the repayment of loans and to finance accounts receivable and inventories. **Office**—Plainview, L. I., N. Y. **Underwriter**—Bear Stearns & Co., New York City (managing). **Offering**—Expected in early May.

Power Designs Inc.
March 31, 1961 filed 500,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The design, manufacture and sale of power supply equipment for the conversion of commercial AC power. **Proceeds**—To repay loans, for expansion and working capital. **Office**—1700 Shames Drive, Westbury, N. Y. **Underwriter** — Pistell, Crow, Inc., New York City. **Offering**—Expected in late May.

Precisionware, Inc.
March 30, 1961 filed 125,000 shares of common stock (par $1), of which 50,000 shares are to be offered for public sale by the company and 75,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—A contract manufacturer of kitchen cabinets and other types of wood cabinets which the company sells to builders, contractors and distributors. **Proceeds**—For new equipment, plant expansion and working capital. **Office** — 78 Livingston St., Brooklyn, N. Y. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in late May.

Presto Dyechem Co., Inc.
Feb. 27, 1961 (letter of notification) 110,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Producers of dye markers and shark repellants. **Proceeds**—For general corporate purposes. **Office** 45 John Street, Yonkers, N. Y. **Underwriter** — Frank Karasik & Co., Inc., New York, N. Y.

● **Products Research Co. (5/29-6/2)**
March 27, 1961 filed 283,200 shares of common stock (par $2), of which 120,000 shares are to be offered for public sale by the company and 163,200 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The development, manufacture and sale of synthetic rubber caulking compounds, protective coatings, encapsulation materials and glass skylights. **Proceeds**—For the selling stockholders. **Office**—2919 Empire Ave., Burbank, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. (managing).

● **Progress Webster Electronics Corp. (4/24)**
Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

● **Publishers Company, Inc. (5/8-12)**
Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing).

Puerto Rican Airlines, Inc.
Feb. 6, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds** — For accounts payable, to purchase equipment and for general corporate purposes. **Office**—c/o F. J. Perez-Almiroty, 1764 Ponce de Leon Ave., San Juan, Puerto Rico. **Underwriter**—Investment Securities Co. of Maryland, Inc., Baltimore, Md.

★ **RMS Electronics, Inc.**
April 12, 1961 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of television and FM radio antennae. **Proceeds**—For general corporate purposes. **Address**—Bronx, N. Y. **Underwriter** — Martinelli & Co., New York, N. Y.

● **Ram Electronics, Inc.**
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts

for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—General Securities Co., Inc., 101 West 57th St., New York City. **Offering**—Expected in early May.

Real Estate Investment Trust of America (5/22-26)
March 31, 1961 filed 500,000 shares of beneficial interest in the Trust. **Price**—To be supplied by amendment. **Business**—The Trust which was organized in 1955 to acquire the assets of three Massachusetts business trusts now holds real estate properties in 12 states and the District of Columbia. **Proceeds** — For investment. **Office** — 294 Washington St., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co., and Lee Higginson Corp., all of New York City.

Recreation Enterprises, Inc.
March 16, 1961 filed 110,000 units of common stock and warrants, each unit to consist of one share of class A common and two common stock purchase warrants for the purchase of class A common (one exercisable at $5.50 per share for 18 months and the other at $6 per share within 36 months). **Price**—$5 per unit. **Business**—The company plans to operate a chain of bowling alleys in the midwestern states, initially in Missouri and Kansas. **Proceeds**—For the building of bowling centers. **Office**—6000 Independence Ave., Kansas City, Mo. **Underwriter**—I. M. Simon & Co., St. Louis, Mo.

Red Star Yeast & Products Co.
March 16, 1961 filed $1,000,000 of convertible subordinated debentures, due 1976. **Price** — To be supplied by amendment. **Business**—The production of yeast and yeast products for the pharmaceutical, food, and animal feed industries. **Proceeds** — For diversification and possible acquisitions. **Office**—221 East Buffalo St., Milwaukee, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee.

Renaire Foods, Inc.
March 30, 1961 filed $600,000 of debentures, 6½% convertible series due 1976, to be offered for public sale by the company and 125,000 shares of common stock, (par $1) of which 100,000 shares are to be offered for sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—At 100% of principal amount, for the debentures and $6 per share for the stock. **Business**—The retail distribution of food freezers, frozen foods, groceries, vitamins, proprietary medicines and sundries, principally in the Philadelphia and Baltimore trading areas. **Proceeds**—For construction, the purchase of installment contracts resulting from the sales of food and freezers, and for working capital. **Office**—770 Baltimore Pike, Springfield, Pa. **Underwriter**—P. W. Brooks & Co., Inc., New York City. **Offering**—Expected in late May or early June.

● **Resitron Laboratories, Ltd. (4/21)**
Feb. 16, 1961 (letter of notification) 200,000 shares of common stock. **Price** — $1 per share. **Business** — The manufacture of closed circuit television tubes, circuit breakers and relays for high powered communications systems. **Proceeds**—To repay bank loans, purchase new equipment and for working capital. **Office** — 2908 Nebraska Avenue, Santa Monica, Calif. **Underwriter**—D. E. Liederman & Co., Inc., 50 Broad St., New York City.

● **Roblin-Seaway Industries, Inc. (4/24-28)**
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and nonferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

● **Rocket Jet Engineering Corp. (5/5)**
March 20, 1961 filed 110,000 outstanding shares of common stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of escape and survival equipment used in military aircraft. **Proceeds**—For the selling stockholders. **Office**—1426 South Flower Street, Glendale, Calif. **Underwriters**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif., and Maltz, Greenwald & Co., New York City. The latter firm will handle the books in the East.

Rocket Research Corp.
Jan. 19, 1961 filed 300,000 shares of common stock. **Price**—$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis, Minn.

Ruth Outdoor Advertising Co., Inc.
March 10, 1961 (letter of notification) 80,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Business**—Outdoor advertising. **Proceeds**—For general corporate purposes. **Address** — R. D. No. 2, Albany, N. Y. **Underwriter**—Lewis & Stoehr, New York, N. Y.

Safeguard Corp.
March 21, 1961 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For capital funds, expansion, and working capital. **Office**—1114 N. Broad Street, Lansdale, Pa. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y.

● **St. Louis Capital, Inc.**
April 11, 1961 filed 750,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A new small business investment company. **Proceeds** — For investment. **Office**—611 Olive St., St. Louis, Mo. **Underwriters**—Hornblower & Weeks, New York City and I. M. Simon & Co., St. Louis (co-managers). **Offering**—Expected in late May.

San Diego Chargers, Inc.
Feb. 28, 1961 (letter of notification) 100,000 shares of capital stock (no par). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—2223 El Cajon Boulevard, San Diego 4, Calif. **Underwriter** — Norman C. Roberts Co., San Diego, Calif.

San Francisco & Oakland Helicopter Airlines, Inc.
April 5, 1961 85,000 shares of class A stock (par $10) and 85,000 shares of common stock (par 10 cents) to be offered in units, each unit to consist of one share of class A and one common share. **Price** — To be supplied by amendment. **Business**—The company plans to furnish scheduled air transportation service in the San Francisco Bay area. **Proceeds**—For spare parts, lease of aircraft, starting-up expenses, and working capital. **Office**—155 Montgomery Street, San Francisco, Calif. **Underwriters**—Birr & Co., Inc., and Wilson, Johnson & Higgins, both of San Francisco.

Schaper Manufacturing Co., Inc. (5/22-26)
March 29, 1961 filed 80,600 shares of common stock (par $4), of which 15,000 shares are to be offered for public sale by the company and 65,600 outstanding shares by the present holder thereof. **Price**—$10 per share. **Business**—The design, assembly, manufacture and sale of a variety of plastic toys and games. **Proceeds**—For working capital. **Office**—650 Ottawa Ave., North, Minneapolis, Minn. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Schneider (Walter J.) Corp.
March 30, 1961 filed 120,000 shares of class A common (par 10 cents). **Price**—$5 per share. **Business**—Organized on March 24, 1961, the company plans to engage in the real estate business and allied activities. **Proceeds**—For general corporate purposes. **Office**—67 West 44th Street, New York City. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City. **Offering**—Expected in early June.

Scope, Inc.
March 28, 1961 filed 75,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The research and development of projects for agencies of the U. S. Government. **Proceeds**—For the repayment of debt, production and marketing of new products, and for working capital. **Office**—121 Fairfax Drive, Falls Church, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Scot Lad Foods, Inc.
March 28, 1961 filed 250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The packaging of food products for supermarkets. **Proceeds**—The net proceeds, estimated at $2,185,000, will be applied to outstanding indebtedness, with the balance to be added to working capital. **Office**—Chicago, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing). **Offering**—Expected in late May.

Seacrest Industries Corp. (5/1)
Feb. 24, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—$7.50 per share. **Business**—The sale of home-freezers and refrigerator-freezer combinations, home delivery of food plans, and manufacture and sale of swimming pools. **Proceeds**—For the purchase of Westchester Foods, Inc. stock; current liabilities; building improvements; advertising, promotion and expansion and for general corporate purposes. **Office**—354 Franklin Avenue, Franklin Square, Long Island, N. Y. **Underwriters**—A. J. Gabriel Co., Inc., New York, N. Y. and Williamson Securities Corp., 92 Liberty Street, New York 6, N. Y.

Sealectro Corp.
March 24, 1961 filed 231,600 shares of common stock (par 25 cents) of which 100,000 shares are to be offered for public sale by the company and 131,600 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The production of electronic components and sub-assemblies for use in electronic and electrical equipment, aircraft, missile, communications and data-processing industries. **Proceeds**—For the repayment of loans; new equipment; expansion, and working capital. **Office**—139 Hoyt Street, Mamaroneck, N. Y. **Underwriter**—Bache & Co., New York City (managing). **Offering**—Expected in mid-May.

Search Investments Corp.
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

Security Acceptance Corp.
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

Selmer (H.& A.), Inc.
March 16, 1961 filed 40,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Business**—The importation, manufacture and distribution of wind band instruments and accessories. **Proceeds**—For working capital and expansion. **Office**—1119 North Main St., Elkhart, Ind. **Underwriter**—Clark, Dodge & Co., New York City (managing). **Offering**—Expected in early May.

Sherman Co.
March 29, 1961 filed 1,096 of limited partnership shares. **Price** — $5,000 per unit. **Business** — The company was formed on March 15, 1961 to acquire the Hotel Sherman in Chicago. **Proceeds**—To purchase the above property. **Office**—10 E. 40th Street, New York City. **Underwriter**—None.

Sierra Pacific Power Co. (5/2)
April 10, 1961 filed 132,570 shares of common stock (par $3.75) to be offered for subscription by common stockholders on the basis of one new share for each 12 shares held of record May 2, with rights to expire May 22. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office**—220 South Virginia Street, Reno, Nev. **Underwriter**—None.

Sierra Pacific Power Co. (5/11)
April 10, 1961 filed $6,500,000 of first mortgage bonds, due 1991. **Proceeds** — For construction. **Office** — 220 South Virginia Street, Reno, Nev. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—To be received on May 11, at 11 a.m. (DST) at 49 Federal Street (8th floor), Boston, Mass. **Information Meeting**—Scheduled for May 9 at 3 p.m. (DST) at One Chase Manhattan Plaza (23rd Floor), New York City.

Sigma Instruments, Inc. (5/24-28)
Feb. 27, 1961 filed 200,000 shares of common stock (par $1), of which 78,540 are to be offered for public sale by the company and 121,460 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company, formerly The Fisher-Pierce Co., is engaged in the development, manufacture and sale of sensitive electromagnetic relays, photoelectronic street lighting controls and other electronic control devices. **Proceeds**—To repay bank loans and for working capital. **Office** — 170 Pearl St., South, Braintree, Mass. **Underwriter**—W. C. Langley & Co., New York City (managing).

Silver Pacific Co.
March 15, 1961 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For development of property; repayment of loans and real estate investments. **Office**—1325 Sunset Highway, Issaquah, Wash. **Underwriter** — Rowley Agency, Inc., Issaquah, Wash.

Simulatics Corp.
March 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The investigation of probable human behavior by use of computer technology. **Proceeds** — To repay a short-term bank loan; and for working capital and general corporate purposes. **Office**—501 Madison Avenue, New York 22, N. Y. **Underwriter**—Russell & Saxe, New York, N. Y.

Southern States Investment & Mortgage Corp.
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For advances to subsidiaries and working capital. **Office**—424 Mark Bldg., Atlanta, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

● **Southland Life Insurance Co. (6/5-9)**
March 28, 1961 filed 80,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To purchase the 55% of the outstanding common stock of Carolina Life Insurance Co. not heretofore owned by the issuer. **Office**—Dallas, Texas. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. (managing).

Southwestern Capital Corp.
April 4, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—A small business investment company and a closed-end, non-diversified management investment company. **Proceeds**—For investment. **Office**—1328 Garnet Avenue, San Diego, Calif. **Underwriter**—None.

★ **Southwestern Oil Producers, Inc.**
April 13, 1961 filed 250,000 shares of common stock. **Price**—$2 per share. **Business**—The company has obtained the right to drill for oil and gas on 720 acres near Artesia, N. M. **Proceeds**—To drill a test well on the property. **Office**—2720 West Mockingbird Lane, Dallas, Texas. **Underwriter**—Elmer K. Aagaard, Salt Lake City, Utah.

● **Spartans Industries, Inc. (5/1-5)**
March 23, 1961 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture of apparel for men, women and children, and the operation of self-service discount department stores. **Proceeds**—For the repayment of loans and for expansion. **Office**—One W. 34th St., New York 1, N. Y. **Underwriters**—Shearson, Hammill & Co., New York City and J. C. Bradford & Co., Nashville, Tenn.

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Standard-American Leasing Corp.
Feb. 14, 1961 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—2855 Highland Drive, Salt Lake City, Utah. **Underwriter** — E. H. Coltharp & Co., Salt Lake City, Utah.

Standard Security Life Insurance Co. of N. Y.
March 27, 1961 filed 162,000 shares of common stock to be offered for subscription by holders of common and class A stock on the basis of two new shares for each five shares held. **Price** — To be supplied by amendment. **Business**—The writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—111 Fifth Avenue, New York City. **Underwriter**—None.

★ **Starlit Fairways, Inc.**
March 30, 1961 (letter of notification) 12,500 shares of class A common stock (par 10 cents) and 10,000 shares of class B common stock (par $10). **Price**—For class A common, $2 per share; for class B common, $25 per share. **Proceeds**—For organizing a recreational club. **Office**—1905 Little River Turnpike, Fairfax, Va. **Underwriter**—None.

Stein, Hall & Co. Inc. (5/8-12)
March 30, 1961 filed 250,000 outstanding shares of common stock (par $1), to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business**—The company manufactures a wide variety of chemical specialty products, including specialized adhesives, synthetic resins, natural gum derivatives, food stabilizers and similar items. **Proceeds**—For the selling stockholders. **Office**—285 Madison Avenue, New York City. **Underwriter**—F. Eberstadt & Co., New York City (managing).

● **Stocker & Yale, Inc.**
March 30, 1961 (letter of notification) 100,000 shares of no-par common stock. **Price**—$3 per share. **Business**—Manufacturers of precision dimensional measuring devices and developers of optical and audio-visual equipment. **Proceeds**—New product development, expansion of marketing program, and working capital. **Office** — 40 Green St., Marblehead, Mass. **Underwriter** — First Weber Securities Corp., 79 Wall Street, New York City. **Offering**—Expected in early May.

Stone Mountain Scenic Railroad, Inc.
March 20, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For purchase of land and materials, right of way preparation, and working capital. **Office** — 710 Peachtree Street, N. E., Atlanta 8, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

Stratton Corp. (5/1)
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

● **Straus-Duparquet Inc.**
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—John R. Boland & Co., New York City and Paul C. Kimball & Co. (Chicago). **Offering**—Expected in late April to early May.

★ **Sunnyside Telephone Co.**
April 13, 1961 (letter of notification) 87,664 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For a new building and equipment. **Address**—Clackamas, Oreg. **Underwriter**—June S. Jones Co., Portland, Oreg.

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—First Realty Syndicators, 11 E. 44th Street, New York, N. Y.

★ **Super Food Services, Inc.**
April 14, 1961 filed 60,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 30,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries distribute food products to about 643 independently owned IGA retail grocery stores in Ohio, Florida, New York, New Jersey and Michigan. **Proceeds**—For working capital. **Office**—105 South LaSalle St., Chicago, Ill. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Offering**—Expected in mid-to-late May.

Superstition Mountain Enterprises, Inc.
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

Survivors' Benefit Insurance Co.
March 30, 1961 filed 50,000 shares of common stock to be offered initially to stockholders and thereafter to policyholders, employees and company representatives. **Price**—$21.70 per share. **Business** — The company is qualified to write life insurance in the state of Missouri. **Proceeds**—For expansion of the business into other states and for reserves. **Office** — 4725 Wyandotte St., Kansas City, Mo. **Underwriter**—None.

● **Taddeo Bowling & Leasing Corp.**
March 31, 1961 filed $600,000 of 6% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter** — Myron A. Lomasney & Co., New York City (managing). **Offering**—Expected in late May.

● **Talley Industries, Inc.**
March 15, 1961 filed $1,500,000 of convertible subordinated debentures, due May 1, 1976. **Price**—To be supplied by amendment. **Business** — A holding company whose subsidiaries produce ballistic devices, solid propellants, electronic test systems and microwave components. **Office**—4551 E. McKellips Rd., Mesa, Ariz. **Underwriters**—Adams & Peck and McDonnell & Co., Inc., both of New York City. **Offering**—Imminent.

"Taro-Vit" Chemical Industries Ltd.
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

● **Tassette, Inc. (5/1-5)**
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

Tele-Film Electronics Engineering Corp.
March 10, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For repayment of loans; product development; expansion; and working capital. **Office**—818-17th St., Suite 610, Denver 2, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

Telephone Employees Insurance Co.
March 22, 1961 filed 43,117 shares of capital stock to be offered for subscription by stockholders on the basis of two new shares for each three shares held. **Price**—$27.50 per share. **Business**—The company writes automobile casualty insurance, principally to employees of telephone companies who are considered preferred risks. **Office**—Pedwood and Light Sts., Baltimore, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

★ **Telephone Utilities, Inc.**
March 31, 1961 (letter of notification) 70,000 shares of common stock (par $1). **Price**—$3.75 per share. **Address** Ilwaco, Wash. **Underwriter**—None.

Templeton, Damroth Corp.
March 30, 1961 filed $1,500,000 of 5½% convertible debentures, due 1969, with 120,000 shares of class A common stock (non-voting) and 12,000 shares of class B common (voting) stock, into which the debentures are convertible. Of the $1,500,000 of debentures, $1,260,000 are presently outstanding. **Price**—100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia is underwriting $445,000 of the debentures.

★ **Tennessee Gas Transmission Co.**
April 14, 1961 filed $75,000,000 of debentures due May 1, 1981. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of debt, expansion and advances to subsidiaries. **Office**—Tennessee Building, Houston, Texas. **Underwriters**—Stone &Webster Securities Corp.; White, Weld & Co., and Halsey, Stuart & Co. Inc., (managing). **Offering**—Expected in mid-May.

Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

Terryphone Corp. (4/24-28)
Feb. 24, 1961 filed 200,000 shares of common stock (par 5 cents), of which 80,000 are to be offered for public sale by the company and 120,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company manufactures, leases, sells and services a line of internal communications systems for use in business and industry. **Proceeds**—For working capital and expansion. **Office**—4409 Carlisle Pike, Camp Hill, Pa. **Underwriters**—Stroud & Co., Philadelphia, Pa., and Warren W. York & Co., Allentown, Pa. (managing).

★ **Therm-Air Mfg. Co., Inc.**
April 11, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of self-contained packaged temperature and humidity control equipment. **Proceeds**—For general corporate purposes. **Address** — Peekskill, N. Y. **Underwriter**—Harry Odzer Co., New York, N. Y.

★ **Thor Power Tool Co.**
April 19, 1961 filed $4,000,000 of subordinated convertible debentures. **Price**—To be supplied by amendment. **Proceeds**—To retire short-term bank loans. **Office**—175 North State St., Aurora, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing).

Thrift Courts of America, Inc. (4/24-28)
Feb. 28, 1961 filed $800,000 of 10-year 8% convertible subordinated debentures, 100,000 shares of common stock and 50,000 warrants to purchase a like number of common shares, to be offered in units of $400 of debentures, 50 common shares, and 25 warrants. **Price** — $800 per unit. **Business** — The manufacture and sale of mobile homes, and the pre-construction of motel units. **Proceeds**—To repay bank loans, provide funds for the issuer's subsidiary, and add to working capital. **Office** — 1630 West Bristol St., Elkhart, Ind. **Underwriter** — Myron A. Lomasney & Co., New York City (managing).

Time Finance Corp.
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000 underlying common shares. **Price**—At 100% of principal amount. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. **Proceeds**—$96,560 to increase volume of accounts receivable financing; $24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

Toledo Plaza Limited Partnership
April 7, 1961 filed $522,500 of interests in the partnership to be offered for public sale in 209 units. **Price**—$2,500 per unit. **Business**—The partnership was organized under Maryland law in April 1961 to acquire, develop and operate the Toledo Plaza apartment project in Prince George County, Md., scheduled for occupancy in May, 1961. **Proceeds**—For the purchase of the above property. **Office**—1411 K St., N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Tourist Industry Development Corp. Ltd.
March 29, 1961 filed $2,000,000 of 7% subordinated debenture stock due 1981, convertible into class B ordinary stock. **Price**—100% of principal amount. **Business**—The company was organized in 1957 for the purpose of financing tourist enterprises in Israel. **Proceeds**—To repay advances from the State of Israel and to make loans to various enterprises such as hotels, restaurants and transport industries. **Office**—Jerusalem, Israel. **Underwriter**—None.

Trans World Airlines, Inc.
March 30, 1961 filed $111,235,900 of 6½% subordinated income debentures, due 1978, with warrants, to be offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 6 common shares held. **Price**—To be supplied by amendment. **Proceeds** — For repayment of debt and general corporate purposes. **Office** — 380 Madison Ave., New York City. **Underwriter**—None. Hughes Tool Co., which owns voting trust certificates representing 78.23% of the company's outstanding stock, has agreed to purchase enough of the unsubscribed for debentures, if any, to provide the company with at least $100,000,000. **Offering**—Expected in late May.

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

Transistor Applications, Inc.
March 29, 1961 (letter of notification) 100,000 shares of no-par common stock. **Price**—$3 per share. **Business**—Manufacturers of transistorized test equipment and electronic medical equipment, and the development of advanced semi-conductor circuits and systems. **Proceeds**—For new product development, expansion of sales effort, and working capital. **Office**—103 Broad Street, Boston, Mass. **Underwriter**—First Weber Securities Corp., 79

Wall Street, New York City. **Offering** — Expected in early May.

Triangle Instrument Co.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City.

• Tronomatic Corp. (4/26)
Feb. 27, 1961 (letter of notification) 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of various types of machines. **Proceeds**—For general corporate purposes. **Office** — 25 Bruckner Boulevard, Bronx, N. Y. **Underwriter**—Plymouth Securities Corp., New York, N. Y.

★ Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

United States Freight Co. (4/20-5/8)
March 15, 1961 filed $15,393,900 of convertible subordinated debentures, due April 1, 1981 to be offered for subscription by holders of its outstanding capital stock on the basis of $100 principal amount of debentures for each seven shares held. **Price**—To be supplied by amendment. **Business**—Furnishes freight transportation services. **Proceeds** — For new equipment, expansion and working capital. **Office**—711 Third Ave., New York City. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

• U. S. Mfg. & Galvanizing Corp. (5/1-5)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong & Co., Inc., 15 William St., New York, N. Y.

U. S. Realty Investment Trust (5/24)
March 30, 1961 filed 386,975 shares of beneficial interest in the Trust. **Price**—$10 per share. **Business**—The ownership of diversified real estate properties. **Proceeds**—For investment. **Office**—720 Euclid Ave., Cleveland. O. **Underwriter** — Hornblower & Weeks, New York City (managing).

• United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

Universal Manufacturing Co.
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

★ Upper Peninsula Power Co.
April 14, 1961 filed 26,000 shares of common stock (par $9). **Price**—To be supplied by amendment. **Proceeds**—To repay debt and for construction. **Office**—616 Shelden Avenue, Houghton, Mich. **Underwriters**—Kidder, Peabody & Co.; Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp. **Offering**—Expected in late May.

Vagabond Motor Hotels, Inc.
Feb. 14, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To construct additional motor hotels, and for working capital. **Office**—3555 Fifth Avenue, Suite B, San Diego, Calif. **Underwriter**—Norman C. Roberts Co., San Diego, Calif.

Vector Engineering, Inc.
March 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business** — Provides engineering and design services. **Proceeds** — For general corporate purposes. **Office** — 155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York, N. Y. **Offering**—Expected in early May.

Versapak Film & Packaging Machinery Corp.
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

★ Virginia Chemicals & Smelting Co.
April 18, 1961 filed 135,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 85,000 outstanding shares for the selling stockholders. **Price** — To be supplied by amendment. **Business**—The manufacture of industrial chemicals, refrigerants and aerosol insecticides. **Proceeds**—For expansion. **Office**—Norfolk, Va. **Underwriter**—White, Weld & Co., New York City (managing). **Offering**—Expected in early June.

Visual Dynamics Corp.
Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—Best & Garey Co., Inc., 2520 L St., N. W., Washington, D. C.

• Vitamix Pharmaceutical, Inc. (4/24-28)
March 3, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The issuer compounds, makes, packages and sells ethical and proprietary drugs and vitamins throughout the country. **Proceeds**—For working capital. **Office**—50 51 Lancaster Ave., Philadelphia, Pa. **Underwriter**—Bache & Co., New York City (managing).

Waldorf Auto Leasing, Inc.
March 23, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The rental of automobiles. **Proceeds**—For purchase of automobiles, advertising and sales promotion, and working capital. **Office**—1712 E. 9th Street, Brooklyn 23, N. Y. **Underwriters**—Martinelli & Co., Inc.; First Atlantic Securities Co. and V. K. Osborne & Sons, Inc., all of New York City. **Offering**—Expected in late May.

Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

Waltham Watch Co.
March 9, 1961 refiled 100,000 shares of common stock (par $2.50) and $600,000 of 16-year convertible bonds (convertible into common at $6 per share), to be sold initially to stockholders in units of 25 shares of stock and $150 of debentures. **Price**—For the stock: about $8 per share; for the debentures: at par. **Business** — The importing, assembling, manufacturing and selling of watches and jewelry. **Proceeds** — For working capital. **Office**—231 South Jefferson St., Chicago, Ill. **Underwriter**—P. J. Gruber & Co., Inc., New York City (managing). **Offering**—Expected in late April to early May.

Warner Brothers Co.
March 29, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's foundation garments, men's and women's shirts, sleepwear and paperboard packaging. **Proceeds**—To repay loans incurred for recent acquisitions. **Office**—325 Lafayette St., Bridgeport, Conn. **Underwriter**—Lehman Brothers, New York City (managing). **Offering**—Expected in mid-May.

Washington Gas Light Co. (5/3)
March 29, 1961 filed $15,000,000 of refunding mortgage bonds, due 1986. **Proceeds**—To repay debt and for construction. **Office**—1100 H Street, N. W., Washington 5, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; First Boston Corp.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., and Stone & Webster Securities Corp. (jointly). **Bids**—To be received in room 1106, 1100 H Street, N. W., Washington, D. C., on May 3 at 11 a.m. (DST).

Washington Natural Gas Co. (5/1-22)
March 30, 1961 filed 118,384 shares of common stock and warrants to purchase 3,500 shares. The company plans to offer 114,884 shares for subscription by common stockholders on the basis of one new share for each 10 shares held of record May 1, with rights to expire May 22. **Price**—To be supplied by amendment. **Business**—The distribution of natural gas at retail in the Puget Sound area of Washington state. **Proceeds**—For the repayment of bank loans and for construction. **Office**—1507 Fourth Avenue, Seattle, Wash. **Underwriters**—Dean Witter & Co., San Francisco; Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City.

Washington Real Estate Investment Trust
March 31, 1961 filed 600,000 shares of beneficial interest in the Trust. **Price**—$5 per share. **Business**—For investment in income producing real estate in the metropolitan Washington, D. C. area. **Proceeds**—For investment. **Office**—919 18th St., N. W., Washington, D. C. **Underwriters** — Ferris & Co., Washington, D. C. (managing). **Offering**—Expected in late June.

★ Watsco, Inc.
April 13, 1961 filed 155,000 shares of common stock, of which 135,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business**—The manufacture of valves, strainers and other products for the refrigeration and air conditioning industry. **Proceeds**—For construction; new equipment; advertising; salaries; the repayment of debt, and working capital. **Office**—1020 E. 15th St., Hialeah, Fla. **Underwriter**—Aetna Securities Corp., New York City (managing).

Wayne-George Corp. (5/15-19)
March 22, 1961 filed 80,000 shares of common stock (no par), of which 60,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, development and manufacture of digital transducers. **Proceeds**—For repayment of debt, new equipment, research and development, and working capital. **Office**—588 Commonwealth Ave., Boston, Mass. **Underwriter**—Hayden, Stone & Co. New York City.

Webster Publishing Co., Inc.
March 13, 1961 filed 131,960 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 51,960 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—Publishes textbooks for elementary and high school students. **Proceeds** — To develop program materials designed for use in teaching machines and in other formats, and for working capital. **Office**—1154 Reco Ave., St. Louis, Mo. **Underwriter**—Newhard, Cook & Co., St. Louis (managing).

Welch Scientific Co.
March 20, 1961 filed 545,000 shares of common stock (par $1), of which 176,000 are to be offered for public sale by the company and 369,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of scientific instruments, laboratory apparatus and supplies. **Proceeds** — For working capital. **Office** — 1515 North Sedgwick Street, Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing). **Offering**—Expected in mid-May.

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Growth Corp.
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City. **Offering**—Expected in late May.

Western Reserve Life Assurance Co. of Ohio
March 1, 1961 filed 120,000 shares of common stock to be offered for subscription by stockholders on the basis of three new shares for each five shares held. Stockholders are to vote at the annual meeting in April on increasing the authorized stock to provide for the offering. **Business**—The company issues and sells life insurance policies in the State of Ohio. **Proceeds**—For expansion. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters** — McDonald & Co. and Ball, Burge & Kraus, Cleveland.

Williamhouse, Inc.
March 27, 1961 filed 106,000 shares of common stock. **Price** — $6 per share. **Business** — The manufacture and sale of paper products including envelopes, announcements and advertising materials. **Proceeds**—To repay debt and for working capital. **Office**—185 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Robert L. Ferman & Co., Miami, Fla.

• Wilshire Insurance Co.
Feb. 17, 1961 filed 313,000 shares of common stock, of which 187,000 will be offered for subscription to stockholders on a share for share basis and the remaining 126,000 shares, together with any of the 187,000 shares not purchased by stockholders, to be offered publicly. **Price**—$5 per share to stockholders and $5.50 per share to the public. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds** — To increase capital funds to provide for the writing of additional policies in all lines of its business and to expand its coverage into other classes of insurance. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter**—None. **Note**—This statement was effective on April 18.

• Wolf Corp. (4/24-28)
Feb. 15, 1961 filed 30,000 shares of class A stock. **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

Work Wear Corp.
March 31, 1961 filed 310,604 shares of common stock (par $1), of which 141,925 shares are to be offered for public sale by the company and 168,679 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of work clothing, and industrial laundering and garment rental. **Proceeds**—For the repayment of debt and working capital. **Office**—1768 East 25th St., Cleveland, O. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected in late May.

• Wrather Corp.
March 29, 1961 filed 350,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company manufactures and sells Stephens power and sail boats, and various marine and sporting goods manufactured by others. It also plans to acquire the stock of Muzak Corp., Wrather Hotels, Inc., Wrather Realty Corp., Stephens Marine, Inc., and various television film properties. **Proceeds** — For construction, repayment of debt and working capital. **Office** — 270 North Canon Drive., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in early June.

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★ Youngwood Electronic Metals, Inc.
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office**—204 North Fifth Street, Youngwood, Pa. **Underwriters** — Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City.

Prospective Offerings

A. T. U. Productions, Inc.
March 15, 1961, it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To finance production of TV films. **Office** — 130 W. 57th Street, New York City. **Underwriter**—Marshall Co., 40 Exchange Place, New York City. **Registration**—Expected in May.

Acoustica Associates, Inc.
April 11, 1961, it was stated that this company is seeking to acquire other firms with compatible product lines and that equity financing may be needed to finance current expansion program. **Business** — The company manufactures ultrasonic cleaning systems for missile equipment, hospital surgical instruments and the metals industry. It also makes fluorescent lighting fixtures and a product for gauging the level of liquids. **Office**—First National Bldg., Birmingham, Ala. **Underwriter**—Lehman Brothers, New York City.

Alamo Gas Supply Co.
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters** — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

• American Export Lines, Inc.
April 11, 1961 it was stated in the 1960 annual report that the company plans to sell about $18,750,000 of FMA insured mortgage bonds to cover 75% of the cost of four new vessels now under construction. **Business**—The company operates passenger and cargo vessels between New York City and the Great Lakes to the Mediterranean and Red Sea Ports, India and Burma. **Office**—39 Broadway, New York City.

American Playlands Corp.
Dec. 21, 1960 it was reported that this company plans to refile a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**— M. W. Janis & Co., Inc., New York City.

American Telephone & Telegraph Co. (6/6)
March 15, 1961, the company announced plans to issue $250,000,000 of debenture bonds. **Proceeds**—For refunding a like amount of 5⅜% debentures due Nov. 1, 1986, on or about July 10. **Office**—195 Broadway, New York 7, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co.; First Boston Corp. **Bids**—To be received at the office of the company on June 6.

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Approved Finance Inc.
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

Arizona Public Service Co.
Feb. 8, 1961 it was reported that this company plans to issue about $38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $230,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co. and The First Boston Corp.

Baltimore Gas & Electric Co.
Feb. 21, 1961, F. E. Rugemer, Treasurer, stated that the company is considering the issuance of $15,000,000 to $20,000,000 of non-convertible debentures or preferred stock in the second quarter of 1961 and about $20,000,000 of bonds in late 1961 or early 1962. **Office**—Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters** — (Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly). The last sale of debentures was made to stockholders on May 8, 1959 through subscription rights and was underwritten by First Boston Corp., and associates. The last sale of preferred stock on Aug. 13, 1940 was handled by White, Weld & Co., and associates.

Brooklyn Union Gas Co. (6/8)
March 3, 1961 it was reported that this company plans to sell about $20,000,000 of mortgage bonds. **Office**—176 Remsen St., Brooklyn 1, N. Y. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.; Blyth & Co., Inc., and F. S. Moseley & Co. (jointly). **Bids**—To be received on June 8.

Caldor, Inc.
March 15, 1961 it was reported that a full filing will be made soon covering an undisclosed number of common shares. **Price**—$5 per share. **Business**—Operates a chain of discount stores in Northern Westchester and Connecticut. **Office**—Riverside, Conn. **Underwriter**—Ira Haupt & Co., New York City (managing).

California Electric Power Co.
Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

Canandaigua Enterprises, Inc.
March 22, 1961 it was reported that this company plans to sell publicly about 40,000 units, each unit to consist of one 7% debenture, 6 common shares and three warrants. **Underwriter**—S. D. Fuller & Co., New York City (managing). **Registration**—Expected in mid-April.

Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Hudson Gas & Electric Co.
March 14, 1961 it was reported that the company plans to sell $6,000,000 of preferred stock possibly in the second quarter. **Proceeds** — For expansion. **Office** — South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Estabrook & Co. (jointly).

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

Chicago, Burlington & Quincy RR. (5/4)
April 4, 1961 it was reported that this road plans to sell $4,800,000 of equipment trust certificates. **Offices**—547 W. Jackson Blvd., Chicago, Ill., and 39 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on or about May 4.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc. (6/1)
March 8, 1961 it was reported that this company plans to sell $30,000,000 of debentures in June and is considering the sale of either $20,000,000 of debentures or $25,000,000 of common stock in the fall. **Office** — 120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—To be received at the company's office on June 1. **Registration**—The $30,000,000 of debentures will be registered with the SEC about April 21.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Community Public Service Co. (6/7)
Feb. 6, 1961 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—To be received on June 7. **Information Meeting** — Scheduled for June 5 in the forenoon at 90 Broad St., New York City.

Consolidated Edison Co. of New York, Inc. (6/20)
March 22, 1961 it was reported that this company plans to sell $50,000,000 of 30-year first mortgage bonds. **Office**—4 Irving Place, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at the company's office on June 20 at 11 a.m. **Information Meeting** — Scheduled for June 13 at 10 a.m.

Consolidated Natural Gas Co. (5/24)
April 4, 1961 it was reported that this company plans to sell $40,000,000 of 25-year debentures. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly). **Bids**—To be received on May 24 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 19 at 10:30 a.m. (DST) in the Bankers Club, 120 Broadway, New York City.

Consumers Power Co.
Feb. 15, 1961 it was reported that this company may sell $20,000,000 of preferred and $30,000,000 of bonds about mid-year. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. The last sale of preferred stock, on July 21, 1955, was handled by Morgan Stanley & Co.

Delaware Power & Light Co.
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Diversified Automated Sales Corp.
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

★ Dixie Pipeline Co.
April 17, 1961 it was reported that this firm, recently formed by eight major oil companies, plans to build a 1,100 mile liquified petroleum gas pipeline from Texas and Louisiana to Mississippi, Alabama, Georgia and the Carolinas. It is expected that the multi-million dollar pipeline will be financed in part by the sale of bonds and that it will be in operation by late 1961. **Office**—

Tulsa, Okla. **Underwriters**—First Boston Corp.; Morgan Stanley & Co.; Carl M. Loeb, Rhoades & Co.

Edo Corp.
March 21, 1961 it was reported that this company plans the issuance and sale of $2,000,000 of bonds. **Business**—The manufacturer of electronic equipment, particularly marine, airborne and underwater devices. **Proceeds**—For expansion. **Office**—1404 111 Street, College Point, N. Y. **Underwriter**—To be named.

Empire Fund, Inc.
March 8, 1961 it was reported that the Federal Internal Revenue Service had granted this fund's application for approval of a tax free exchange of shares for Corporate Securities. It is expected that a registration statement covering this "centennial-type" fund will be filed with the SEC shortly. **Office**—Pittsburgh, Pa.

Epoderm Inc.
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing).

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about April 1. **Offering**—Expected in late May.

Fawcett Publications, Inc.
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

First Continental Real Estate Trust
Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

• Gas Service Co.
April 19, 1961, the company reported that on April 18 stockholders voted to authorize a new issue of 150,000 shares of preferred stock (par $100). The company is considering the sale of between $5,000,000 to $7,500,000 of preferred and may issue some bonds at the same time. **Office** — 700 Scarritt Bldg., Kansas City, Mo. **Underwriters**—To be named. The company has never issued preferred stock, but the last sale of common on April 19, 1954 was handled by Kuhn, Loeb & Co., Eastman Dillon, Union Securities & Co., Reynolds & Co., and Allen & Co. The last sale of bonds on July 6, 1958 was made privately through Eastman Dillon, Union Securities & Co., New York City and Stern Brothers & Co., Kansas City, Mo.

General Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. **Office**—2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

• General Telephone & Electronics Corp.
April 19, 1961 stockholders voted to authorize the company to issue up to $100,000,000 of convertible debentures. A spokesman stated that no financing is planned at present, but that the debentures will be available if needed at some future time. **Office**—730 Third Ave., New York 17, N. Y. **Underwriter**—To be named. The last issue of debentures on May 16, 1957 was offered for subscription by common stockholders and was underwritten by Paine, Webber, Jackson & Curtis, New York City, and associates.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

• Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter** — Stanley Heller & Co., New York City.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Hardeman (Paul), Inc.
April 4, 1961 it was reported that this company plans to sell about 350,000 shares of common stock. **Business**—Electronics. **Office**—Los Angeles, Calif. **Underwriter**—Michael G. Kletz & Co., New York City.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea Street, Honolulu 13, Hawaii. **Underwriter**—None.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Illinois Bell Telephone Co.
March 31, 1961 it was reported that this subsidiary of A. T. & T., plans to offer stockholders in June the right to subscribe to additional common stock on the basis of one new share for each eight shares held. Based on the 33,525,217 shares outstanding on Dec. 31, 1960 this would amount to about 4,190,652 additional shares valued at approximately $84,000,000. **Office** — 212 West Washington St., Chicago 6, Ill. **Underwriter**—None.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

Indiana & Michigan Electric Co. (5/31)
March 29, 1961 it was reported that this company plans to sell $20,000,000 of 25-year debentures. **Proceeds**—For construction. **Offices** — 2101 Spy Run Avenue, Fort Wayne, Ind., and 2 Broadway, New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Eastman Dillon, Union Securities & Co.; First Boston Corp.; Harriman Ripley & Co., Inc. **Bids**—To be received on May 31 at 11:30 a.m. (DST). **Information Meeting**—Scheduled for May 26 at 3 p.m. (DST) at American Electric Power Service Corp., 2 Broadway (11th floor) New York City.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

★ International Parts Corp.
April 17, 1961 it was reported that a registration will be filed shortly covering an undisclosed number of outstanding common shares. **Business**—Manufactures automobile equipment and parts. **Office**—Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Chicago (managing).

Kansas Power & Light Co.
March 15, 1961 it was reported that this company is considering the issuance of $10,000,000 to $15,000,000 of bonds in the third or fourth qarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., New York City (managing).

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

Long Island Lighting Co.
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

Massachusetts Electric Co. (6/27)
March 21, 1961 it was reported that the company plans to issue $17,500,000 of first mortgage bonds series F, due 1991. The company recently merged six subsidiaries of New England Electric System and changed its name to the above, from Worcester County Electric Co. **Office**—939 Southbridge Street, Worcester, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Bids**—To be received on June 27.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

Metropolis Bowling Centers Inc.
March 13, 1961 it was reported that this company is planning to sell 192,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The company has three bowling alleys in operation in New York City. **Proceeds** — To maintain present properties and acquire other bowling centers. **Office**—72 Park Row, New York City. **Underwriters**—Thomas, Williams & Lee, Inc., and Russell & Saxe, Inc., New York City (managing).

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell about 500,000 common shares. **Business** — Food distribution. **Proceeds**—For working capital. **Office**—45-10 Second Avenue, Brooklyn, N. Y. **Underwriter**—Brand, Grumet & Siegel, New York (managing). **Registration**—Expected in late April.

Michigan Wisconsin Pipe Line Co. (6/14)
March 24, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds** — For construction. **Office** — 500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc. **Bids**—To be received in suite 4950, 30 Rockefeller Plaza, New York City, on June 14 at 11 a.m. (DST).

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and

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Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

Mississippi River Transmission Corp.
Feb. 27, 1961, it was reported that this subsidiary of Mississippi River Fuel Corp., plans to sell about $6,500,000 of debentures or bonds in late 1961. **Proceeds**—For the repayment of bank debt. **Office**—9900 Clayton Road, St. Louis, Mo. **Underwriter**—To be named. The last issue of debentures by Mississippi River Fuel Corp., parent, in March 1958 was underwritten by Eastman Dillon, Union Securities & Co., and associates.

★ Missouri Edison Co. (6/12)
April 19, 1961 it was reported that this subsidiary of Union Electric Co., plans to sell $2,000,000 of bonds. **Office**—123½ North Fourth St., Louisiana, Mo. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—To be received on June 12.

Missouri Utilities Co.
April 11, 1961 it was reported that this company plans to sell about 50,000 additional common shares to stockholders in September or October on a 1-for-10 rights basis. **Office**—400 Broadway, Cape Girardeau, Mo. **Underwriter**—To be named. The last five rights offerings to stockholders were underwritten by Edward D. Jones & Co., St. Louis.

★ Modern Home Construction Co.
April 18, 1961 it was reported that this company is considering a public offering of securities, but the details have not yet been decided upon. **Office**—Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., New York City.

Monroe Mortgage & Investment Corp.
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None. **Registration**—Expected in May.

National Airlines, Inc.
April 3, 1961, G. T. Baker, President, stated that the company plans to sell publicly 400,000 shares of Pan American World Airways, Inc., subject to the approval of the CAB and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

National Radiac, Inc.
April 11, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Business** — Manufactures radiation detection equipment. **Office**—Newark, N. J. **Underwriter**—Hardy & Hardy, New York City (managing).

★ National Semi-Conductor Co.
April 18, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Office**—Danbury, Conn. **Underwriters**—Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis, Minn.

New England Power Co.
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

New York Central RR. (5/10)
April 4, 1961 it was reported that this road plans to sell about $4,155,000 of equipment trust certificates. **Office**—466 Lexington Ave., New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—To be received on or about May 10.

Northern Illinois Gas Co.
March 22, 1961 it was reported that this company plans to sell about $20,000,000 of common stock through a rights offering to stockholders. **Office**—50 Fox Street, Aurora, Ill. **Underwriters**—To be named. The last rights offering in April, 1954, was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City. **Offering**—Expected in June.

Northern Natural Gas Co.
March 15, 1961, the company reported that it expects to raise about $80,000,000 of new money in 1961. Present plans are for issuance of about $30,000,000 of debentures by mid-year and an additional $30,000,000 to $35,000,000 of debentures by year-end. It is also expected that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter** — Blyth & Co., New York City (managing).

Northern States Power Co. (8/8)
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Northwestern Public Service So.
April 3, 1961 the company applied to the FPC for permisison to issue up to $4,000,000 of first mortgage bonds. The company stated that it would sell the full amount if it concurrently redeemed all outstanding $1,500,000 of 5⅞% bonds, otherwise only $2,500,000 of the new bonds would be issued. **Office**—Huron, S. D. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Kidder, Peabody & Co. **Offering**—Expected in September.

Pacific Gas & Electric Co.
March 28, 1961 it was reported that this company plans to offer additional common stock to stockholders on the basis of one share for each 20 shares held. Based on the 17,929,305 shares outstanding on Dec. 31, 1961 this would amount to about 896,465 common shares. **Office**—245 Market Street, San Francisco 6, Calif. **Underwriter**—To be named. The last rights offering on June 17, 1958 was underwritten by Blyth & Co., Inc., New York City.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
March 24, 1961 stockholders of this A. T. & T. subsidiary approved a plan to form a new company to be known as the Pacific Northwest Bell Telephone Co. The new concern will acquire the business and properties of the Pacific Telephone-Northwest division which operates in Washington, Oregon, and Idaho. All of the stock of the new company will be owned by Pacific Telephone but "as soon as practicable" it will be offered for sale to Pacific Telephone stockholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery Street, San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A. T. & T., which owns over 90% of the outstanding shares, exercised its rights to subscribe to its pro rata share of the offering.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Pennsylvania Power & Light Co.
April 11, 1961 it was stated in the 1960 annual report that this utility expects to spend $140,000,000 on new construction in the 1961 to 1965 period, of which about $56,000,000 will have to be raised through the sale of securities. However, the company now sees no necessity for the sale of equity securities, but expects to convert its present $35,000,000 of bank loans to long-term debt when securities market conditions are favorable. **Office**—9th and Hamilton Streets, Allentown, Pa. **Underwriters**—To be named. The last four bond issues were sold privately. The last public offering of bonds on Oct. 4, 1945 was underwritten by Smith, Barney & Co.; First Boston Corp.; Dillon, Read & Co., Inc., and associates.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

Public Service Electric & Gas Co. (6/6)
March 22, 1961 it was reported that this company plans to sell about 900,000 shares of common stock, subject to the approval of the New Jersey Public Service Commission. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

Radiation Applications, Inc.
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

Rochester Gas & Electric Corp.
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp

★ Science Capital Corp.
April 18, 1961 it was reported that a full filing will be made within a few weeks covering an undisclosed number of common shares. **Business**—A small business investment company. **Office**—Philadelphia, Pa. **Underwriters**—Blair & Co., New York City (managing); Stroud & Co., and Woodcock, Moyer, Fricke & French, Philadelphia.

★ Shepard Airtronics, Inc.
April 18, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For new product development and expansion. **Office**—787 Bruckner Blvd., Bronx, N. Y. **Underwriter**—L. C. Wegard & Co., Trenton, N. J. (managing).

Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

Sony Corp.
Feb. 21, 1961 it was reported that this company plans to sell 2,000,000 common shares in the U. S., this summer. A registration statement covering the proposed offering will be filed with the SEC. **Business**—The company is a major producer of electronic consumer goods such as tape recorders, transistor radios and television sets. **Office**—Tokyo, Japan. **Underwriter**—To be named.

Southern Electric Generating Co. (6/15)
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co., both in turn controlled by The Southern Co., plans the public sale of $25,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Swift & Co.
Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to $35,000,000 of convertible debentures, and to increase authorized common from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds**—For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—To be named. The last issue of debentures in October 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

• Texas Bank & Trust Co. (Dallas)
April 17, 1961 it was reported that stockholders voted to increase the authorized $10 par stock to provide for sale of 50,000 shares to stockholders on the basis of one new share for each six shares held of record April 13, with rights to expire on April 27. **Price**—$25 per share. **Proceeds**—To increase capital. **Office**—Main and Lamar Sts., Dallas, Tex. **Underwriters**—Rauscher, Pierce & Co., Inc., and First Southwest Co., both of Dallas.

Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

Thorough-Bred Enterprises, Inc.
March 16, 1961 it was reported that this company plans to sell 85,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business** — Operates a breeding farm for thoroughbred horses. **Proceeds**—For building a barn, purchasing land and acquiring additional horses. **Office**—Biscayne Boulevard, Miami, Fla. **Underwriter**—Sandkuhl Company, Inc., Newark, N. J., and New York City.

Traid Corp.
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $50,000,000 of bonds or preferred stock in September. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961 **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter** — To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

United Aircraft Corp.
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Vinco Corp.
Feb. 20, 1961 it was reported that this company plans to sell $2,000,000 of convertible bonds. **Business**—The manufacture of precision parts and subassemblies for aircraft, missile and other industries. The company also produces guages and measuring instruments. **Proceeds**—For expansion and acquisition. **Office** — 9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City.

Virginia Electric & Power Co. (6/13)
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (DST). **Information Meeting**—Scheduled for June 8 at 11 a.m. (DST) at the Chase Manhattan Bank, One Chase Plaza, New York City.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

• Walter (Jim) Corp.
April 17, 1961 it was reported that this company plans to sell a minimum of $20,000,000 of debentures. **Business**—the company constructs shell homes, provides credit life insurance on home mortgages and operates a chain of small loan companies. **Office**—1500 North Dale Mabry Highway, Tampa, Fla. **Underwriters**—To be named.

West Coast Telephone Co.
April 11, 1961 it was stated in the 1960 annual report that the company plans to spend $12,000,000 for new construction in 1961, most of which is expected to be raised by the sale of securities. **Office**—1714 California St., Everett, Wash. **Underwriter**—To be named. The last sale of bonds and preferred stock in May and July 1960 was done privately. The last sale of common on Sept. 16, 1960 was underwritten by Blyth & Co., Inc., New York City.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Dr., Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co. and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and ten shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office**—60 Hudson St., New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

Zayre Corp.
March 24, 1961, Stanley H. Feldberg, President, stated that this company may require additional financing in the near future. The type of security to be sold has not been decided upon but the company is considering the issuance of debentures or common stock. **Business**—The operation of self-service discount department stores, principally in the east and south. **Proceeds**—For expansion. **Office**—Natick, Mass. **Underwriter**—To be named.

Trans. Gas Pipe Bonds Offered

Public offering of $35,000,000 Transcontinental Gas Pipe Line Corp. first mortgage pipe line bonds, 5% due Nov. 1, 1981, at 99% and accrued interest from May 1, 1961, was made on April 19 by an underwriting syndicate jointly managed by White, Weld & Co. and Stone & Webster Securities Corp.

A portion of the net proceeds from the sale of the bonds will be used to prepay notes incurred in connection with the company's construction program. The balance of the proceeds will be added to the general funds of the company to be available for construction and other corporate purposes. The company estimates that it will spend approximately $113,600,000 after Dec. 31, 1960 in completing construction work which was scheduled at that date.

The bonds are entitled to a sinking fund sufficient to retire at 100% of principal amount $500,000 on May 1, 1963 and semi-annually thereafter to and including Nov. 1, 1979 and $4,500,000 on May 1, 1980, Nov. 1, 1980 and May 1, 1981, leaving $4,500,000 due at maturity. The bonds will also be redeemable at optional redemption prices ranging from 105% to par, plus accrued interest. However, no redemptions may be made prior to May 1, 1966 through a refunding operation involving the incurring of indebtedness with an interest cost to the company of 5.08% per year or less.

Transcontinental Gas Pipe Line Corp. owns and operates an inter-state pipeline system for the transportation and sale of natural gas. Its main pipeline system extends 1,842 miles from the Texas and Louisiana Gulf Coast to the New York-New Jersey-Philadelphia metropolitan area and has a present allocated capacity of 1,262,518 mcf per day, exclusive of gas available from storage. Under pending applications with the Federal Power Commission, the company is seeking authorization to build additional facilities which would provide for increases in the daily allocated capacity of the system from the present 1,262,518 mcf to 1,473,514 mcf, supplemented by 457,452 mcf of allocated capacity per day from storage during the winter peak periods.

Stephen Realty Common Offered

One million four hundred thousand $1 par shares of beneficial interest in Stephen Realty Investment Co., 1930 Sherman Street, Denver, Colo., are being offered at $5 per share. The public offering is made on a best efforts basis by Stephen Securities Corp., for which it will receive a selling commission of 40 cents per share. Stephen Realty is a common law trust; and one of the trustees, John T. Webb, is President and controlling stockholder of the underwriter.

Stephen Realty was organized as a common law trust in December, 1960, and as a real estate investment trust for the purpose of holding, investing, and reinvesting in real property, interests in real property, and interests in mortgages on real property.

In addition to Mr. Webb, the trustees are Gerald L. Schlessman, W. Douglas Morrison, and George S. Postma, all of Denver. Mr. Schlessman is listed as Chairman and Mr. Morrison Secretary.

Pharm. Vending Common Offered

The Pharmaceutical Vending Corp., of Wilmington, Del., has offered publicly 300,000 shares of common stock at par ($1 per share), through Pacific Coast Securities Co., San Francisco, Calif.

The proceeds are to be used to purchase machinery and equipment, plant facilities, increase of inventory and for working capital.

Named Director

BarChris Construction Corp. has announced the election of Bertram D. Coleman to its Board of Directors. Mr. Coleman is a partner with Drexel & Co.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — President Kennedy and his chieftains are doing some things and preparing to chart some new courses that have not made the headlines. Nevertheless, they are important.

There has been a new policy adopted at the Pentagon, where the expenditure of more than $41,000,000,000 a year is directed. There has been no clamp-down on legitimate news sources, but news is going to be harder to get in the future.

The Pentagon higherups, under Secretary of Defense Robert S. McNamara, has decided that in the future the Army, Navy and Air Force is not going to hand out a wealth of information. News media in the future will have to dig up stories and have to piece information together.

There has been a clamp-down on inter-service rivalry. Each branch of the service has some highly trained news and public relations personnel that has made such information available in the past, because the higherups of that particular branch wanted it publicized.

Therefore, the United States Air Force, the Navy and the Army at times tried to outdo each other. As a result, in some few instances, during a year they would release information that presumably was important to the Communists and the Soviet Union in particular.

Pro and Con

The new unpublicized policy at the Pentagon will have the approval of many Americans, who have been critical of past Administrations for letting so much information get out of the Pentagon.

For years thousands of people in this country have written their Congressmen, the White House and the Pentagon criticizing the release of certain information about new plans, submarines, missile sites, etc.

That is good as far as it goes. Many of those critics have maintained that if they had the power they would clamp down completely on all United States military information. However, they do not stop to realize that we are a democracy. Under a dictatorship, like in the Soviet Union, there is pretty much a blackout of all information, except that of a propaganda nature designed to serve a useful purpose.

While we live under a democracy, it is true that our people are living under more and more rules and regulations, and have to pay more and more of our income for taxes. Our way of life, of course, is far preferable to a dictatorship.

The Pentagon policy of not making everything available on a silver platter has its merits, but it could have some undemocratic effects. There has always been a tendency by the military higherups — not all, but some — to hide their mistakes.

Congressional investigating committees and some enterprising news people in the past have rooted out some flagrant mistakes that would never have come to public light. As much money that is spent under the jurisdiction of the Pentagon, there needs to be some light thrown on expenditures.

There is still another far-reaching order that has gone out to the high-ranking officers of all branches of the service. They have been directed, with the approval of the White House, to keep tight-lipped on all statements and opinions regarding foreign policy.

Past Indiscretions

It is true that some of the military chieftains in the past have made statements that were at complete variance with White House policy. Such statements were widely quoted in foreign countries. Sometimes those divergent statements appeared a bit ridiculous.

Addresses of military officials are being funneled through channels before they are delivered. This, of course, is a type of censorship, but many Americans have written letters demanding a change — right or wrong.

The Pentagon's new policies are being carried out under a new Assistant Secretary of Defense, Arthur Sylvester. Actually, Mr. Sylvester was drafted for the important position. Mr. Sylvester is neither a Democrat nor a Republican.

Until recently, when he moved across the Potomac River to McClean, Va., Mr. Sylvester had lived in the District of Columbia for many years and thus could not vote.

A graduate of Princeton University, Mr. Sylvester was a top-flight Washington correspondent for the "Newark News" when Secretary McNamara persuaded him to join the Defense Department as the Assistant Secretary in charge of public information.

The Disarmament Impasse

Meantime, as the Pentagon is preparing to step up our modern military strategy with the hope of some day catching up with the Russians in the battle for outer space, there are other important things going on in the executive side of the government.

John J. McCloy, who was our high commissioner of West Germany after World War II, is President Kennedy's disarmament administrator. Mr. McCloy, who is a prominent attorney in private life, is seeking to get a disarmament program launched.

As of now, of course, such a program appears hopeless. For all practical purposes, some countries, like Britain, are well on the road to disarmament. More and more of the smaller countries are saying in effect: let the two big boys—the United States and the Soviet Union—battle it out in the arms race.

It is a battle of science and technology. Where it will stop nobody knows. It is unlikely that the race will stop within the next five or ten years, at the least. But what concerns Mr. McCloy and his staff is the tremendous technological progress that could very well get out of hand by accident.

The United States could unleash its supply of nuclear weapons on the Soviet Union and kill tens of millions of people, perhaps 75,000,000. At the same time, Russia, with its great missile power, could perhaps kill 50,000,000 to 75,000,000 Americans.

These figures are frightening, but it could happen through accident or deliberate intent, unless disarmament comes about.

Can't Trust Russia

The leaders of the Kremlin are demanding that we totally disarm over the next four or five years. They even demand that we close down the service academies at West Point, Annapolis and Colorado Springs.

Because we have reason not to trust the Communist leaders, it appears that Mr. McCloy's disarmament task is a colossal one, with little hope of success. Yet, it is worth trying and it is worthy of spending money on.

As problems pile up for our country at home and abroad, it seems that the existence of the United States as we now know it is at stake within the next five or ten years. However, ten years from now some brand-new problems may have cropped up.

President Kennedy has warned anew that our battle with the Soviet Union to control outer space will be a considerable time away. He says the news will be darker before it gets brighter. The range for ballistic missiles, we now know, is global.

Washington experts who have returned from visits in scattered parts of the world in recent weeks say people everywhere are appalled and stunned by the armaments race that is going on between the two big powers in missiles and nuclear weapons.

One of these days something will have to give, and Mr. McCloy, like many millions of his fellow Americans, are hopeful that we will get on a sane and trusting road to disarmament with Russia.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"We were married in 1929."

Woman Member Of National Exch.

The first woman member of a stock exchange was elected April 20 by the Board of Governors of The National Stock Exchange. She is Mrs. Hilda Polson, a registered representative.

Mrs. Polson has been in Wall Street three and one-half years with Dreyfus & Co., 2 Broadway, New York.

Last summer she bought a seat on the New York Mercantile Exchange, sponsoring organization of The National Stock Exchange, and immediately exercised her privilege to apply for membership in The National Stock Exchange.

The National Stock Exchange was franchised last summer by the Securities & Exchange Commission and plans to open trading in the near future. The National is designed to serve the needs of sound organizations of small and medium size.

Named Director

Hugh Harrison, Chairman of the Board of Pittsburgh-Pacific Coal Company and a partner in Russell Harrison Company, was elected to the board of directors of Imperial Fund, Inc.

All other directors of Imperial Fund were re-elected, Al Sheldon, President said today.

COMING EVENTS

IN INVESTMENT FIELD

April 21, 1961 (New York, N. Y.)
Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf-Astoria.

April 29-May 3, 1961 (Richmond, Va.)
National Federation of Financial Analysts Societies 14th annual convention at the John Marshall Hotel.

May 1-3, 1961 (Philadelphia, Pa.)
National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

May 4-5, 1961 (Nashville, Tenn.)
Security Dealers of Nashville Annual Spring party—dinner May 4 at the Hillwood Country Club, outing May 5 at the Belle Meade Country Club.

May 8-9, 1961 (St. Louis, Mo.)
Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

May 19, 1961 (New York, N. Y.)
STANY Glee Club 7th annual dinner dance at the Waldorf-Astoria Hotel.

June 2, 1961 (New York City)
Bond Club of New York annual outing at Sleepy Hollow Country Club.

June 8, 1961 (Cedar Rapids, Iowa)
Iowa Investment Bankers Association annual Field Day at the Cedar Rapids Country Club (preceded June 7 by a cocktail party and dinner reception at the Roosevelt Hotel).

June 15, 1961 (New York City)
Investment Association of New York annual outing at Sleepy Hollow Country Club.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge, Jasper, Alta.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

Dec. 4-5, 1961 (New York City)
National Association of Mutual Savings Banks 15th annual mid-year meeting.